



CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS
330 Harbor Drive
Sitka, AK
(907)747-1811

Meeting Agenda

City and Borough Assembly

*Mayor Matthew Hunter
Deputy Mayor Steven Eisenbeisz,
Vice Deputy Mayor Bob Potrzuski,
Aaron Bean, Kevin Knox, Dr. Richard Wein,
Benjamin Miyasato*

*Municipal Administrator: Keith Brady
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson*

Tuesday, March 27, 2018

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

IV. CORRESPONDENCE/AGENDA CHANGES

[18-054](#) Reminders, Calendars and General Correspondence

Attachments: [Reminders and Calendars.pdf](#)

[Public Works Update.pdf](#)

V. CEREMONIAL MATTERS

none anticipated

VI. SPECIAL REPORTS: Government to Government, Municipal Boards/Commissions/Committees, Sitka Community Hospital, Municipal Departments, School District, Students and Guests (five minute time limit)

VII. PERSONS TO BE HEARD

Public participation on any item off the agenda. All public testimony is not to exceed 3 minutes for any individual, unless the mayor imposes other time constraints at the beginning of the agenda item.

VIII. REPORTS

a. Mayor, b. Administrator, c. Attorney, d. Liaison Representatives, e. Clerk, f. Other**IX. CONSENT AGENDA**

All matters under Item IX Consent Agenda are considered to be routine and will be enacted by one motion. There will be no separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.

- A** [18-055](#) Approve the minutes of the March 8, 13, and 15 Assembly meetings

Attachments: [Consent and minutes.pdf](#)

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

- B** [18-058](#) Reappoint Trish White to a three-year term on the Local Emergency Planning Committee

Attachments: [Motion and White LEPC application redacted..pdf](#)

XI. UNFINISHED BUSINESS:

- C** [ORD 18-04S](#) Amending Title 15 of the Sitka General Code by adding a new Chapter 15.15 "Utility Cost Subsidization Program"

Attachments: [Motion and memo Ord 2018-04S.pdf](#)

[Ord 2018-04S.pdf](#)

[Previous version 2018-04..pdf](#)

- D** [ORD 18-06](#) Adjusting the FY18 Budget (Library Donation, O'Connell Lightering Facility Repair Project)

Attachments: [Motion and memo Ord 2018-06.pdf](#)

[Ord 2018-06.pdf](#)

[September 2017 Approved Budget Adjustment 2017-31.pdf](#)

[Cost Study and Marketing Research Results and Recommendations.pdf](#)

- E** [ORD 18-07](#) Amending Sitka General Code Title 21 "Subdivision"

Attachments: [Motion and memo Ord 2018-07.pdf](#)

[Ord 2018-07 Subdivision code.pdf](#)

[ZA18-02 Monumentation PlanningPacket 6Feb2018..pdf](#)

XII. NEW BUSINESS:**New Business First Reading**

- F [ORD 18-08](#) Adjusting the FY18 Budget (Thomsen Harbor Lift Station Rehabilitation Project)

Attachments: [Motion and Memo Ord 2018-08.pdf](#)
[Ord 2018-08.pdf](#)

Additional New Business Items

- G [18-056](#) Approve the Sitka Public Library Code of Conduct policies and Multipurpose Room policies

Attachments: [Motion and memo policies.pdf](#)
[Code of Conduct policies.pdf](#)
[Multipurpose Room policies.pdf](#)
[Draft minutes.pdf](#)

XIII. PERSONS TO BE HEARD:

Public participation on any item on or off the agenda. Not to exceed 3 minutes for any individual.

XIV. EXECUTIVE SESSION

- H [18-057](#) legal matters affecting bulk water sales

Attachments: [Executive session.pdf](#)

XV. ADJOURNMENT

Note: Detailed information on these agenda items can be found on the City website at <https://sitka.legistar.com/Calendar.aspx> or by contacting the Municipal Clerk's Office at City Hall, 100 Lincoln Street or 747-1811. A hard copy of the Assembly packet is available at the Sitka Public Library. Assembly meetings are aired live on KCAW FM 104.7 and via video streaming from the City's website. To receive Assembly agenda notifications, sign up with GovDelivery on the City website.

*Sara Peterson, MMC, Municipal Clerk
Publish: March 23*



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 18-054 **Version:** 1 **Name:**
Type: Item **Status:** AGENDA READY
File created: 3/20/2018 **In control:** City and Borough Assembly
On agenda: 3/27/2018 **Final action:**
Title: Reminders, Calendars and General Correspondence
Sponsors:
Indexes:
Code sections:
Attachments: [Reminders and Calendars.pdf](#)
[Public Works Update.pdf](#)

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
|------|------|-----------|--------|--------|

REMINDERS

| <u>DATE</u> | <u>EVENT</u> | <u>TIME</u> |
|--------------------|--|-------------|
| Tuesday, March 27 | Regular Meeting | 6:00 PM |
| Thursday, March 29 | Special Budget Meeting Special Revenue Funds/ Internal Service Funds | 6:00 PM |
| Thursday, April 5 | Special Budget Meeting Sitka Community Hospital | 6:00 PM |
| Tuesday, April 10 | Regular Meeting | 6:00 PM |



Assembly Calendar

[2017](#) [Jan](#) [Feb](#) [Mar](#) [Apr](#) [May](#) **Jun** [Jul](#) [Aug](#) [Sep](#) [Oct](#) [Nov](#) [Dec](#) [2019](#)
March 2018

| Sunday | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday |
|------------------|------------|--|---|---|------------------------|------------------------|
| 25 Feb | 26 | 27 | 28 | 1 Mar | 2 | 3 |
| Eisenbeisz | Eisenbeisz | Eisenbeisz 6:00pm Regular Assembly Mtg | Eisenbeisz Potzuski 6:00pm Police and Fire Commission | Eisenbeisz Potzuski 12:00pm SEDA Board Meeting | Eisenbeisz Potzuski | Eisenbeisz Potzuski |
| 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| Potzuski | Potzuski | Potzuski 2:00pm Health Needs & Human Services 5:30pm Govt to Govt Dinner - Westmark Banquet Room | 6:30pm Library Commission | 12:00pm LEPC 6:00pm Joint Budget Work Session: Assembly and School Board - Harrigan Centennial Hall 7:00pm Planning Commission | Knox | Knox |
| 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| Knox | Knox | Knox 12:00pm Parks & Rec 6:00pm Regular Assembly Mtg | Knox 6:00pm Historic Preservation | Knox 6:00pm Special Meeting #1: Municipal Budget | Knox | Knox |
| 18 | 19 | 20 | 21 | 22 | 23 | 24 |
| Knox | | 12:00pm Tree/Landscape | 11:00am Employment Relations Board | Knox 6:00pm Hospital Board Meeting 6:00pm Special Meeting #2: Municipal Budget 7:00pm Planning Commission | Knox | Knox Potzuski |
| 25 | 26 | 27 | 28 | 29 | 30 | 31 Apr |
| Knox Potzuski | Potzuski | Potzuski 6:00pm Regular Assembly Mtg | Potzuski 6:00pm Police and Fire Commission 6:15pm Port & Harbors Commission | Potzuski 12:00pm Hospital Board 6:00pm Special Meeting #3: Municipal Budget | Potzuski | Potzuski |

Assembly Calendar

2017 Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec 2019

April 2018

| Sunday | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday |
|------------|------------|---|---|---|------------|------------|
| 1 Apr | 2 | 3 | 4 | 5 | 6 | 7 |
| Potrzuski | Potrzuski | Potrzuski | Potrzuski 6:30pm Library Commission | Potrzuski 12:00pm SEDA Board Meeting 6:00pm Special Meeting #4: Municipal Budget - Sitka Community Hospital | Potrzuski | Potrzuski |
| 8 | 9 | 10 | 11 | 12 | 13 | 14 |
| Potrzuski | | 12:00pm Parks & Rec 6:00pm <u>Regular Assembly Mtg</u> | 6:00pm Historic Preservation 6:15pm Port & Harbors Commission | 12:00pm LEPC 2:00pm Health Needs & Human Services Commission 7:00pm Planning Commission | | |
| 15 | 16 | 17 | 18 | 19 | 20 | 21 |
| | Eisenbeisz | Eisenbeisz 12:00pm <u>Tree/Landscape</u> 5:30pm Special Meeting: Administrator and Attorney evals at City Hall | Eisenbeisz | Eisenbeisz 5:30pm - 7:00pm Work Session: BOE Training with State Assessor | Eisenbeisz | Eisenbeisz |
| 22 | 23 | 24 | 25 | 26 | 27 | 28 |
| Eisenbeisz | Eisenbeisz | 6:00pm <u>Regular Assembly Mtg</u> | Knox 6:00pm Police and Fire Commission | Knox 6:00pm Hospital Board Meeting 7:00pm Planning Commission | Knox | Knox |
| 29 | 30 | 1 | 2 | 3 | 4 | 5 |
| Knox | Knox | May | 6:30pm Library Commission | 12:00pm SEDA Board Meeting | | |

PUBLIC WORKS ASSEMBLY UPDATE
WORK COMPLETED THROUGH FEBRUARY 2018

WWTP Needs Assessment

Milestones This Period

- The Consulting Team headed by McCool Carlson Green was selected to perform the needs assessment of the WWTP.
- The team performed a two day onsite as-built/conditions inspection and are working on preparation of the information for the assessment.

Future Milestones

- Completion of 'Needs Assessment' is anticipated in April 2018.

Background

The Waste Water Treatment Plant was built in the early 1980s and most of the building systems, especially the HVAC (ventilation air) systems have failed or are past their 'useful life' and require replacement. The air quality within the building is inadequate and corrosive and the exposed piping and metal within the building are corroded. The building's envelope leaks air and does not allow for proper pressurization of the office areas and other clean rooms. Corrosive air in these areas results in electronics regularly become dysfunctional within months, in addition to creating an unhealthy air quality for the WWTP Operators. The building needs assessment will provide the information to determine the required full project scope and estimated cost. It is intended to move this project forward as quickly as possible as there are life safety issues that need to be addressed in the existing facility. Funding for this project is provided by the following sources: \$563,000 in Working Capital and \$2,832,500 from DEC loans.

Current Contracts: McCool Carlson Green \$96,144.00

Nelson Logging Road Upgrades:

Milestones This Period

- Advertised for Bid

Future Milestones.

- Open Bids March 20 2018.
- Construction is anticipated to begin in April 2018 with completion by January 2019.

Background

The project includes replacing both inadequate bridges, realignment at HPR intersection, upgrading Nelson Logging Road and pedestrian amenities as funding allows. The scope may also include road realignment(s) and widening to accommodate two-way traffic. Funding for the project is provided by a \$2,343,000 State of Alaska Department of Commerce Community and Economic Development Grant.

Current Contracts: LEI Engineers & Surveying \$415,390

Lincoln Street Paving:

Milestones This Period

- Technical Memo for project completed.
- Evaluation of potential pedestrian amenities

Future Milestones

- Public meetings.
- Plan development for curb ramps and storm drain. To minimize impacts to downtown businesses, construction is anticipated between Fall 2018 and Spring 2019 outside the visitor seasons.

Background The Lincoln Street Paving Project consists of grinding the existing AC pavement, repaving, curb ramp replacement to meet ADA requirements and storm drain replacement as necessary.

Funding is provided by:

\$950,000 General Fund – Lincoln 2018.

\$20,000 Water Fund – Lincoln 2018

\$20,000 Sewer Fund – Lincoln 2018

\$990,000 Total Project Funding

Current Contracts: Professional and Technical Services, Inc. \$147,960

East DeGroff Water, Sewer and Street Repairs:

Milestones This Period

- Bid package advertised.
- CBS hosted non-mandatory pre-bid meeting on January 31, 2018.
- Construction Bid Opening February 27, 2018.

Future Milestones

- Pre-construction public meeting in March 2018.
- Construction to be completed in September 2018.

Background

The project includes replacement of aging, failing water, sewer and storm drainage infrastructure in DeGroff Street from Hollywood Way to Sawmill Creek Road. The project will replace pavement, curb, gutter and sidewalk that will be demolished during the utility replacement. Scope will also include utility trenching work in Sawmill Creek Road, ahead of Alaska Department of Transportation project to re-pave SMC in 2019. Funding for the project is provided by the following sources: \$2.24 million from FY2015 ADEC Water and Sewer Loans, \$175,000 from the FY17 Water Enterprise Fund and \$45,000 from the FY17 Wastewater Enterprise Fund and \$300,000 from the FY18 General Fund.

Current Contracts: PND Engineers \$144,747

South Lake – West DeGroff Water, Sewer and Street repairs:

Milestones This Period

- None.

Future Milestones

- Pave DeGroff from Lake to Hollywood and landscape entire project in Spring 2018.

Background

The project includes replacement of aging, failing water, sewer and storm drainage infrastructure in Lake Street from the roundabout to DeGroff Street, and DeGroff Street from Lake Street to Hollywood Way. The project will also replace pavement, curb, gutter and sidewalk, which will be demolished during the utility replacement. Funding for the project is provided by the following sources; \$1,000,000 FY2017 ADEC Grant, \$575,800 FY2015 ADEC Water and Sewer Loans, \$200,000 from FY2017 General Fund, \$50,000 from the 2017 Water Enterprise Fund and \$50,000 from the 2017 Wastewater Enterprise Fund.

| | | |
|--------------------|------------------|-------------|
| Current Contracts: | PND Engineers | \$232,526 |
| | K&E Alaska, Inc. | \$1,478,440 |

Gary Paxton Industrial Park Dock:

Milestones this Period

- Draft tariff schedule developed and approved by GPIIP Board.
- CBS IS, Electric, PW Departments and ACS collaboration on camera and phone systems for new dock.

Future Milestones

- Complete dock punch list work items early March 2018.
- Finalize tariff schedule and seek Assembly approval March 13, 2018.
- Dock open to the public mid-March after publishing tariff schedule.
- Camera and phone installation by April 2018.

Background

The project is funded by a designated Legislative Grant, administered by the State of Alaska, Dept. of Commerce, Community & Economic Development, and Division of Community & Regional Affairs. The project is administered by Public Works and the GPIIP Director, Garry White. The total amount of the grant is \$7.5 million. A design/build contract was awarded to Turnagain Marine Construction on November 22, 2016. The Assembly approved establishing a project contingency of \$250,000 utilizing \$125,000 from the Bulk Water Fund and \$125,000 from the GPIIP Enterprise Fund on December 13, 2016 for a total project budget of \$7,775,000. The Assembly approved increasing the project scope to include development of a tariff schedule and camera system to assist with dock management on December 26, 2017.

| | | |
|--------------------|--------------------------------|-------------|
| Current Contracts: | Turnagain Marine Construction | \$6,935,356 |
| | Parrish, Blessing & Associates | \$14,000 |

O'Connell Lightering Float Pile Replacement:

Milestones This Period

- Harbor Staff working with a consultant to perform an economic analysis to assist with marketing and establishing rates for the facility.
- Bid document development.

Future Milestones

- Complete final bid documents early March 2018.
- Request additional project funds from Assembly March 13 & 27, 2018.
- Bid project April 2018.
- If possible, complete permitting and construction by May 31, 2019 allowing for 9 months from contract award for permitting and an additional 3-4 months for procurement, mobilization, and pile installation before annual USACE in-water work restrictions March 15-May 15, 2019.

Background

With lightering traffic reduced due to cruise ships choosing to use Old Sitka Dock, and what lightering remains shifting to the Crescent Lightering Facility near Harrigan Centennial Hall, Harbor Staff have found O'Connell to be a popular moorage location for yacht owners. However, the existing piling at the O'Connell Lightering Float were installed too shallow to support yacht moorage as evidenced by several piles being displaced during a storm event. This project will replace all piling on the project with new rock-socketed piling specifically designed to support large yachts. The Assembly approved an appropriation of \$280,000 from the Harbor Fund Undesignated Working Capital on September 12, 2017 on 2nd reading. This is insufficient given regulatory agency feedback. Additional funds will be required in order to complete the project.

| | | |
|--------------------|---------------------------------|----------|
| Current Contracts: | PND Engineers | \$35,380 |
| | Solstice Alaska Consulting Inc. | \$11,040 |
| | Parrish, Blessing & Associates | \$10,000 |

Sitka Wayfinding Signage

Milestones This Period

- Bids were received and the Letter of Intent to Award the Sitka Wayfinding Signage was sent to CBC Construction.
- The ten day protest period end COB Monday March 5, 2018. It is anticipated that the contract will be awarded after the protest period.

Future Milestones

- Substantial signage installation anticipated May/June 2018.

Background

Wayfinding signage was identified as one of the key projects in the 2010 Sitka Passenger Fee Fund Implementation Plan. On June 25, 2013 the Assembly approved a request from the Tourism Commission and Destination Sitka Working Group to move the Wayfinding Signage Project forward by funding the project utilizing Commercial Passenger Excise Tax proceeds. The Sitka Convention & Visitors Bureau (SCVB) was tasked to manage the project at that time. Later The Sitka Chamber of Commerce

managed the project while the Consultant, Great Destinations Strategies (GDS), completed the design intent drawings and general specifications. With these complete, the project management has shifted to Public Works to oversee the fabrication and installation of the signage. The Assembly approved a budget appropriation of \$282,300 from CPET Funds, General capital projects Fund, for the purpose of designing and constructing Wayfinding signs.

Current Contracts: Axia Creative

\$25,910

Police Station Planning Study

Milestones This Period

- None.

Future Milestones

- Finalize a Stakeholder Group for Study Launch anticipated in March 2018.
- Prepare a rough magnitude cost estimate for the existing deferred maintenance and infrastructure obsolescence at current facility for first round of public/Assembly meetings anticipated in May 2018.
- Develop potential site matrix list and evaluation criteria for stakeholder discussion and anticipated public meetings in May 2018.
- First round of public meetings and Assembly presentation/work session anticipated in May 2018.
- Final report and study completion anticipated December 2018.

Background

As stated by the Chief of Police, the Sitka Police Offices and jail do not meet current industry standards. It is nonfunctional, unsafe, and severely inhibits the effective delivery of police service to Sitka. The Sitka Police Department and Jail occupies 1/3 of the first floor in the City/State Court/Office Building. The City/State Building was built in 1974-76 in partnership with the State of Alaska. The City owns the land including the parking lot and is joint owner with the State of the building. Expenses for maintenance and operations per agreement December 1993, are to be split 34% CBS and 66% State based on the occupancy remaining within the building. The building is roughly 40 years old and over this time period maintenance of the facility and its building systems, along with replacement of non-functional and obsolete infrastructure has not kept pace resulting in significant deferred maintenance and critical needs. It is known that repairs to the facility to address its deferred maintenance will have significant costs. The order of magnitude of these costs are conservatively estimated to exceed \$1 million. How these costs are to be shared is to be determined, and is complicated by the shared ownership of the facility with the State of Alaska. Given Alaska's current fiscal status, reaching a timely cost sharing agreement is a point of significant concern. These estimated costs do not include any physical or design improvements to the Police Department.

Current Contracts: Stantec

\$57,558.00

Airport Terminal Improvements:
Milestones This Period

- TSA Project Briefing tele-conference was held, which describes the necessary procedures for reports, design review, invoice reimbursement, and project point of contacts (POC).
- Preliminary TSA Baggage Screening Area/Equipment layouts developed.
- FAA, State of Alaska DOT-PF (State), & CBS discussions regarding modifications to the draft PFC Application.
- Determination that the State is the eligible entity to submit the PFC Application for the CBS using the documentation prepared by CBS for the application.
- Working out revisions to the existing MOA between the CBS and State for collection of the PFC funds, obligations, responsibilities, and assurances of each party.

Future Milestones

- The State will be sending information about the upcoming parking lot management changes and options.
- If the PFC Application is approved, collection of PFCs is anticipated to begin sometime after April 1, 2018. The estimated total PFC revenue of \$4.50 per enplanement, with 77,000 annual enplanements, over 20 years, equals total PFC revenue of \$6,840,000.
- Ongoing *Airport Terminal Improvement Financial Planning Work* with CBS Finance, PW, and the Consultants via GoToMeeting through June 2018 to be followed by Assembly work sessions and public meetings.
- 35% design complete and Assembly presentation anticipated mid-year 2018.

Background

The Airport Terminal Improvement Project is intended to remedy some of the existing critical problems identified in the Airport Terminal Master Plan 2008-2011, including working conditions in the baggage make-up area and TSA baggage screening area, as well as problems with congested passenger queuing, screening, baggage, fish boxes, waiting areas and passenger flow. The project is funded from prior Passenger Facility Charges (PFC) collected for terminal improvements. Currently PFCs are not being collected to fund design and construction of terminal improvements, but a new application has been drafted and is under FAA review.

CBS accepted a TSA design grant in the amount of \$158,569.25 to design specific improvements to the TSA Baggage Screening Area. Other areas impacted by these design changes are ineligible for the TSA design funding.

The Assembly approved moving forward to the 65% Schematic Design Milestone for the preferred concept plan that was presented in the Assembly work-session August 8, 2017.

Current contracts: MCG Architects \$229,776

Cross Trail (Granite Creek to Ferry):

Milestones This Period

- CBS met with Sitka Trail Works and design consultant to discuss 65% plan submittal.

Future Milestones

- Submit preliminary plan package to Federal Highways Administration in February 2018 consisting of the following:
 - 65 percent plans
 - cultural resources report
 - wetlands report
 - threatened & endangered species report, essential fish habitat findings
 - list of all permits required for proposed construction plan
- Sitka Trail works to submit Letter of Inquiry for Rasmuson Foundation grant to meet our Western Federal Lands grant match requirements in Spring 2018.
- Final design plans and specifications in August 2018.
- Construction anticipated in early 2019 pending securing grant match funds.

Background

The City and Borough of Sitka was awarded a \$250,000 MAP-21 Federal Lands Access Program (FLAP) Grant for planning, design and permitting of Phase 6 Cross Trail multimodal pathway – a connector from Kramer Drive to Alaska Marine Ferry Terminal – by Western Federal Lands. The Assembly approved submission of the grant in Resolution 2014-06 in April 2014. Sitka Trail Works (STW) is overseeing the design work alongside CBS via a Memorandum of Agreement. Received a \$1.93M construction grant from Western Federal Lands in October 2017, which cannot be spent until CBS and Sitka Trail Works secure the required match funding.

Current Contracts: none (LEI is performing design work for Sitka Trail Works)

Harrigan Centennial Hall (HCH) Renewal:

Milestones This Period

- Warranty Items/issues addressed.
- FF&E Procurement is ongoing.

Future Milestones

- Complete the FF&E procurement. Expected to be completed by the end of year 2018.
- Support operations and address warranty items that occur during the warranty periods.
- Building signage revision and installation of signage under entry canopies anticipated to begin in March 2018.

Background

The project funding includes four State grants totaling \$11,500,000; a \$1,991,271 FY10 Legislative Grant designated for a lightering facility visitor's center (previously planned for under the O'Connell Bridge), \$1,180,000 FY11 CPET Head Tax grant, \$1,400,000 Marine Passenger Funds, \$232,620 heat pump grant, and \$66,000 from the Sitka Historical Society for a total project budget/funds of \$16.4 million.

Current Contracts: MCG Architects \$1,553,024
McG Constructors/DCI Inc. – Joint Venture \$13,625,793

Davidoff & Peterson Storm Sewer Rehabilitation:

Milestones This Period

- Awarded consultant contract for design support.
- Met with U.S. Fish & Wildlife (USFW) representative to discuss potential matching-grant funding for Peterson Street culvert. Funding would augment CBS funds and allow for the construction of a culvert that meets fish-passage criteria.

Future Milestones

- 65 percent design package for Davidoff culverts due March 2018.
- Award Davidoff construction contract May 2018.
- Rehabilitate, and replace where appropriate, storm infrastructure, Summer 2018.
- Apply for matching grant funds to support Peterson Street culvert replacement as appropriate.

Background

The project includes rehabilitation and/or replacement of deteriorated storm drain infrastructure to include: a 60” corrugated metal culvert crossing under Peterson Street, and two 30” and two 36” metal culverts and two metal storm structures adjacent to Davidoff Street, between Charteris and HPR. Funding for the project is provided in the FY18 General Fund, at \$350,000.

Current Contracts: StephI Engineering \$37,500

Eagle Way Lift Station Rehabilitation:

Milestones This Period

- Secured agency approval to spend remaining funds from the Eagle Way – Old Harbor Mountain Road (EW-OHMR) grant on the rehabilitation of the Eagle Way Lift Station which had been planned for FY23 utilizing loan funds.
- Solicited quotes for lift station replacement pumps, motors and valves.

Future Milestones

- Design Lift Station upgrade to convert existing wet well/dry well to scheme submersible Lift Station valve vault.

Background

The original EW-OHMR project included new pavement, storm drainage, water main and services, and a pedestrian pathway within Eagle Way, and new pavement and storm drain improvements within Old Harbor Mountain Road. Funding for the project consists of a \$1,500,000 State of Alaska Department of Commerce Community and Economic Development Grant, of which approximately \$280,000 remains for the lift station rehabilitation work.

Current Contracts: none

GPIP Cleanup Project 2018:

Milestones This Period

- Contract Awarded

Future Milestones.

- Begin cleanup when weather permits

Background

The project includes cleaning up debris left over from the dam construction project and other activities over the years at the Gary Paxton Industrial Park. The Assembly appropriated \$35,000 for this project from the GPIP Shoreline Stabilization project on December 26, 2018.

Current Contracts: K & E Alaska

\$15,060



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Legislation Details

File #: 18-055 Version: 1 Name:
Type: Item Status: AGENDA READY
File created: 3/20/2018 In control: City and Borough Assembly
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|------|------|-----------|--------|--------|

CONSENT AGENDA

POSSIBLE MOTION

**I MOVE TO APPROVE THE CONSENT AGENDA
CONSISTING OF ITEM A**

I wish to remove Item(s) _____

**REMINDER – Read aloud a portion of each item being
voted on that is included in the consent vote.**

Should this item be pulled from the Consent Agenda the following motion is suggested:

POSSIBLE MOTION

I MOVE TO approve the minutes of the
March 8, 13, 15 Assembly meetings.



CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS
330 Harbor Drive
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Minutes - Draft

City and Borough Assembly

*Mayor Matthew Hunter
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*Municipal Administrator: Keith Brady
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson*

Thursday, March 8, 2018

6:00 PM

Assembly Chambers

SPECIAL MEETING

- I. CALL TO ORDER
- II. FLAG SALUTE
- III. ROLL CALL

Present: 7 - Miyasato, Eisenbeisz, Potrzuski, Hunter, Knox, Bean, and Wein

IV. CORRESPONDENCE/AGENDA CHANGES

None.

V. PERSONS TO BE HEARD

None.

VI. NEW BUSINESS:

A 18-031

Discussion/Direction of local support of public education to the Sitka School District contained in the proposed FY2019 General Fund and other issues pertaining to financial support of educational related activities (*Assembly action may be taken*)

Administrator Keith Brady spoke to the amount of support currently budgeted for the Sitka School District and how that figure was calculated.

Sitka School District Superintendent Mary Wegner and Business Manager Cassee Olin reviewed the District's preliminary FY19 budget, including the District's projected \$2.3 million deficit, an additional request of \$600,000, and answered questions from Assembly members.

School Board members spoke to the importance of quality education and the need for collaboration between the City and School District.

VII. PERSONS TO BE HEARD:

Speaking in support of the School District and funding requests were: Tim Pike, Anders Marius, Mindy Barry, Marlie Loomis and Susan Brandt-Ferguson.

VIII. EXECUTIVE SESSION

None.

IX. ADJOURNMENT

A motion was made by Miyasato to ADJOURN. Hearing no objections, the meeting ADJOURNED at 9:12pm.

ATTEST:

Sara Peterson, MMC
Municipal Clerk



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ASSEMBLY CHAMBERS
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Tuesday, March 13, 2018

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 6 - Miyasato, Eisenbeisz, Potrzuski, Hunter, Bean, and Wein

Telephonic: 1 - Knox

IV. CORRESPONDENCE/AGENDA CHANGES

No agenda changes.

18-040

Reminders, Calendars and General Correspondence

V. CEREMONIAL MATTERS

None.

VI. SPECIAL REPORTS: Government to Government, Municipal Boards/Commissions/Committees, Sitka Community Hospital, Municipal Departments, School District, Students and Guests (five minute time limit)

None.

VII. PERSONS TO BE HEARD

Representatives of the Sitka Community Playground group provided an update on the

status of the project. Bridgette Hitchcock and Greg George reported the group had raised \$763,000 through grants, donations from individuals and businesses, and in-kind donations. They announced construction was underway and were hopeful for a grand opening ceremony around the July 4th holiday.

VIII. REPORTS

a. Mayor, b. Administrator, c. Attorney, d. Liaison Representatives, e. Clerk, f. Other

Mayor - Hunter announced he was working with Representative Kreiss-Tomkins on a possible grant for new outdoor infrastructure - e.g. cabin.

Administrator - Brady reported the City had received word on health insurance rates for the next year, reviewed the timeline for the Sitka Community Hospital RFP, shared he had met with the Japanese Head Consul Masatoshi Sato, and announced the Police Department had made a small drug bust over the weekend.

Liaison Representatives - Potrzuski reported on the Parks and Recreation Committee meeting and Wein on the Health Needs and Human Services Commission.

Clerk - Peterson reminded the Assembly of upcoming budget meetings.

IX. CONSENT AGENDA

A motion was made by Bean that the Consent Agenda consisting of items A & B be APPROVED. The motion PASSED by the following vote.

Yes: 7 - Miyasato, Eisenbeisz, Potrzuski, Hunter, Knox, Bean, and Wein

A 18-032 Approve the minutes of the February 27 Assembly meeting

This item was APPROVED ON THE CONSENT AGENDA.

B 18-034 Approve liquor license renewal applications: 1) American Legion Post #13 at 205 Lincoln Street, 2) Sitka Golf Association Inc. dba Sea Mountain Restaurant & 19th Hole at 301 Granite Creek Road, 3) Dove Island Lodge & Sitka Sportsfishing Charters, LLC dba Dove Island Lodge on Dove Island

This item was APPROVED ON THE CONSENT AGENDA.

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

C 18-033 Reappoint Shauna Thornton to a three-year term on the Port and Harbors Commission

Miyasato thanked Thornton for reapplying.

A motion was made by Bean that this Item be APPROVED. The motion PASSED by the following vote.

Yes: 7 - Miyasato, Eisenbeisz, Potrzuski, Hunter, Knox, Bean, and Wein

XI. UNFINISHED BUSINESS:

D RES 18-04 RECONSIDERATION: Supporting a National Carbon Fee and Dividend

Larry Edwards spoke in support of the motion to reconsider.

Those speaking in opposition to the motion were Joel Hanson, Beth Kindig, Larry Jackson, Kent Barkhau and Kay Kreiss.

Wein, Knox, Miyasato and Potrzuski spoke in opposition.

A motion was made by Potrzuski to RECONSIDER the motion to approve Resolution 2018-04 on first and final reading. The motion FAILED by the following vote. The Clerk announced the vote of 6-1 approving Resolution 2018-04 on February 27, 2018 stood.

Yes: 1 - Bean

No: 6 - Miyasato, Eisenbeisz, Potrzuski, Hunter, Knox, and Wein

E ORD 18-04S Amending Title 15 of the Sitka General Code by adding a new Chapter 15.15 "Utility Cost Subsidization Program" - 1st reading - substitute ordinance

Cosponsors Potrzuski and Knox noted after the February 13 meeting they had met with staff. A substitute ordinance had been brought back to the Assembly for consideration. Potrzuski referenced the changes. Knox reminded a commitment was made during the last budget cycle to help those in need, and while not perfect, this was a starting point and action was needed. Potrzuski commented this program was not designed for individuals with existing payment plans.

Bean while empathetic, stated in light of the current budget deficit he could not support the idea. He suggested the City explore the idea of being regulated by the Regulatory Commission of Alaska. This could open the door to subsidies. Miyasato voiced concern with the subsidy amount of \$400,000 when there was an existing deficit. He wondered of the possibility in reducing the amount to thereby reduce the deficit. Wein believed the program was well meaning however more work needed to be done and suggested the Assembly go through the budget process before making such appropriations. Hunter was hesitant to fund the program with a one time funding source and preferred a more sustainable funding source.

Jay Sweeney, Chief Finance and Administrative Officer, reminded the application period was in the fall with distribution of funds occurring in January. He explained the \$400,000 previously appropriated could be transferred to a new special revenue fund until utilized. Sweeney clarified this was not new revenue to utilities but rather a payment source. The municipality would make a payment to itself on behalf of the customer.

A motion was made by Knox that this Ordinance be APPROVED on FIRST READING. The motion PASSED by the following vote.

Yes: 5 - Miyasato, Eisenbeisz, Potrzuski, Hunter, and Knox

No: 2 - Bean, and Wein

XII. NEW BUSINESS:

F 18-037 Approve removal of the Solid Waste 4x4 route from the Solid Waste Collection Contract to reduce operating costs by approximately \$71,500 per year

Kim Elliot spoke in support of removal of the route. Ray Majeski and Robin Sherman spoke in opposition.

Public Works Director, Michael Harmon, clarified that not all customers on the 4x4 route would be eligible for the "pack-out" service and that in fact only a small portion of those customers would be eligible. Only homes within 30 feet of the automated truck routes would be eligible for the service, at an additional fee of \$11.50 per month. Folks not eligible would need to move their trash container to a designated area where an automated truck could empty their container. Harmon stated some areas would need to go to a shared tub if there wasn't enough room for several containers. With a user fee model, the additional fee would be \$737 per yer per customer in addition to the standard monthly solid waste fee. Harmon believed this wouldn't be a popular option among customers. He explained when the contract was renewed the 4x4 route was not one the contractor was willing to take on nor bid on. Upon entry of the contract, the contractor was asked to provide details as to how much it would cost to provide the additional service, for the City to then decide if they wished to continue with the service. If the route were to remain it would be an increase to the FY19 budget.

A motion was made by Potrzuski that this Item be APPROVED. The motion PASSED by the following vote.

Yes: 7 - Miyasato, Eisenbeisz, Potrzuski, Hunter, Knox, Bean, and Wein

G 18-035 Approve a liquor license renewal application for JL Sitka, Inc. dba Westmark Sitka Hotel at 330 Seward Street (*executive session anticipated*)

A motion was made by Potrzuski to go into executive session with Chief Finance and Administrative Officer Jay Sweeney to discuss subjects that tend to prejudice the reputation and character of any person and to discuss matters, the immediate knowledge of which, would adversely affect the finances of the City and Borough of Sitka and invite in if desired, and when ready, representatives of JL Sitka, Inc. The motion PASSED by the following vote.

Yes: 7 - Miyasato, Eisenbeisz, Potrzuski, Hunter, Knox, Bean, and Wein

The Assembly was in executive session from 7:52pm to 8:23pm.

A motion was made by Bean to reconvene as the Assembly in regular session. The motion PASSED by a unanimous voice vote.

A motion was made by Bean to approve, with the condition that the applicant must satisfy the note/payment plan entered into with the City and Borough of Sitka, a liquor license renewal application for JL Sitka, Inc. dba Westmark Sitka Hotel at 330 Seward Street and forward this approval to the Alcoholic Beverage Control Board without objection. The motion PASSED by the following vote.

Yes: 7 - Miyasato, Eisenbeisz, Potrzuski, Hunter, Knox, Bean, and Wein

H ORD 18-07 Amending Sitka General Code Title 21 "Subdivision"

A motion was made by Bean that this Ordinance be APPROVED on FIRST READING. The motion PASSED by the following vote.

Yes: 7 - Miyasato, Eisenbeisz, Potrzuski, Hunter, Knox, Bean, and Wein

I ORD 18-06 Adjusting the FY18 Budget (*Library Donation, O'Connell Lightering Facility Repair Project*)

William Wilks, Principal-Managing Partner for Alaska Utility Operations with Parrish, Blessing and Associates, reported on his findings from a telephonic focus group formed to better understand the services and facility amenities yacht users of the O'Connell Bridge facility prefer or require. The goal being to attract Sitka as a yacht docking port. Wilks reviewed three cost model scenarios and answered questions from Assembly members. Wilks noted the facility could recover its direct cost and contribute to the Harbor Enterprise Fund.

Bean reminded the appropriation had doubled and wondered if the project should be delayed to focus on the existing harbors that need repair. Other members voiced support for the project and stated while it was a significant amount of money there was potential for revenue generation.

A motion was made by Potrzuski that this Ordinance be APPROVED on FIRST READING. The motion PASSED by the following vote.

Yes: 6 - Miyasato, Eisenbeisz, Potrzuski, Hunter, Knox, and Wein

No: 1 - Bean

J 18-038 Approve the Gary Paxton Industrial Park Port Tariff No. 1

Gary Paxton Industrial Park (GPIP) Board Director, Garry White, explained the proposed rate structure and noted he had worked with William Wilks of Parrish, Blessing, and Associates Inc. (PBA), a regulatory and economics consulting firm from Anchorage. The intent was to mirror harbor rates and maintain a level playing field. Wilks recommended benchmarking rates for now eventually working towards cost base rates. White added that PBA would assist GPIP with filing the tariff with the Federal Maritime Commission.

A motion was made by Miyasato that this Item be APPROVED. The motion PASSED by the following vote.

Yes: 7 - Miyasato, Eisenbeisz, Potrzuski, Hunter, Knox, Bean, and Wein

K 18-039 Approve a one year purchase agreement between the City and Borough of Sitka and Green Gold Distributors for raw water in bulk export

Mayor Hunter explained this was an unadvertised executive session, however, was legal as the agenda item had been advertised.

A motion was made by Potrzuski to go into executive session to have a candid discussion with the Municipal Attorney concerning how to avoid legal liability regarding the proposed Green Gold Distributors raw water purchase

agreement and invite in if desired, and when ready, Garry White and/or Bryan Bertacchi. The motion PASSED by the following vote.

Yes: 7 - Miyasato, Eisenbeisz, Potrzuski, Hunter, Knox, Bean, and Wein

The Assembly was in executive session from 9:25pm to 9:52pm.

A motion was made by Bean to reconvene as the Assembly in regular session. The motion PASSED by a unanimous voice vote.

Public Testimony

Charles Bingham wished to ensure there was a clause in the contract stating Sitka received primary use. Peter Bradley expressed concern with Sitka's vulnerability to becoming a second hand crisis profiteer through international water sales and noted shortcomings in the contract language.

Assembly Deliberation

Miyasato reminded Section 4.1.a) of the agreement stated, "Sitka shall retain first right and priority to water required for its municipal drinking water supply system and its municipal hydroelectric system...". In addition, he noted Wrangell was suffering from a water shortage and wondered if Sitka could help. Hunter relayed concerns he had heard regarding the quantity of water and the City's capacity to sell water and continue to run the hydros. He noted the City had 9 billion gallons allowed to distribute. Of those 9 billion, a little over 2 billion gallons were encumbered by agreements, leaving us with 6.5 billion gallons to sell in excess of hydro needs and drinking needs.

A motion was made by Bean that this Item be APPROVED. The motion PASSED by the following vote.

Yes: 6 - Miyasato, Eisenbeisz, Potrzuski, Hunter, Knox, and Bean

No: 1 - Wein

XIII. PERSONS TO BE HEARD:

None.

XIV. EXECUTIVE SESSION

L 18-036 Financial matter: Baranof Island Brewing Company - Forbearance

A motion was made by Potrzuski to EXTEND to 10:45pm. The motion PASSED by the following vote.

Yes: 6 - Miyasato, Potrzuski, Hunter, Knox, Bean, and Wein

No: 1 - Eisenbeisz

A motion was made by Potrzuski to go into executive session with Chief Finance and Administrative Officer Jay Sweeney to discuss subjects that tend to prejudice the reputation and character of any person and to discuss matters, the immediate knowledge of which, would adversely affect the finances of the City and Borough of Sitka and invite in if desired, and when ready, Suzan Hess and/or Rick Armstrong of Baranof Island Brewing Company and/or their

Attorney, Brita Speck. Hearing no objections, the Assembly entered executive session from 10:08pm to 10:42pm.

A motion was made by Miyasato to reconvene as the Assembly in regular session. The motion PASSED by a unanimous voice vote.

A motion was made by Potrzuski to EXTEND to 10:50pm. The motion PASSED by the following vote.

Yes: 7 - Miyasato, Eisenbeisz, Potrzuski, Hunter, Knox, Bean, and Wein

Suzan Hess was agreeable to the motion made by Assembly members and stated Baranof Island Brewing Company had previously met with staff to ask for additional time to provide the requested information.

A motion was made by Bean to extend the forbearance agreement between Suzan Hess and/or Rick Armstrong of Baranof Island Brewing Company to the 1st of August, 2018. This is to be contingent upon parties providing a current balance sheet, profit and loss statement, two years tax returns, a complete audit by a third party of the City's choosing paid for by Suzan Hess and/or Rick Armstrong of Baranof Island Brewing Company by June 1, 2018 and direct staff to revisit and revise the Assembly of possible options at that time. *

*Jay Sweeney, Chief Finance and Administrative Officer clarified it was not an audit that was needed but instead a compilation of independently produced financial statements.

The motion PASSED by the following vote.

Yes: 5 - Potrzuski, Hunter, Knox, Bean, and Wein

No: 2 - Miyasato, and Eisenbeisz

XV. ADJOURNMENT

A motion was made by Miyasato to ADJOURN. Hearing no objections, the meeting ADJOURNED at 10:48pm.

ATTEST: _____
Sara Peterson, MMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS
330 Harbor Drive
Sitka, AK
(907)747-1811

Minutes - Draft

City and Borough Assembly

*Mayor Matthew Hunter
Deputy Mayor Steven Eisenbeisz,
Vice Deputy Mayor Bob Potrzuski,
Aaron Bean, Kevin Knox, Dr. Richard Wein,
Benjamin Miyasato*

*Municipal Administrator: Keith Brady
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson*

Thursday, March 15, 2018

6:00 PM

Assembly Chambers

SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 5 - Miyasato, Eisenbeisz, Potrzuski, Hunter, and Wein

Absent: 2 - Knox, and Bean

IV. PERSONS TO BE HEARD

Representatives of the RIDE asked the Assembly to consider a funding request of \$25,000.

V. NEW BUSINESS:

A 18-041

Executive Summary of the FY19 General Fund budget from Chief Finance and Administrative Officer, decrementing, decrementing process, and unbudgeted items (*Assembly may take action*)

Administrator Keith Brady reviewed the timeline for the evening. He noted initially there was a \$1.5 million deficit in the General Fund, however, with the work of staff the deficit had been reduced. Jay Sweeney, Chief Finance and Administrative Officer, spoke to the FY19 budget approval timeline and review plan. In addition, Sweeney reviewed the process for making changes to the budget from this point forward. Controller, Melissa Haley, presented a powerpoint presentation of the FY19 General Fund budget. Topics covered were: the schedule and process for the FY19 budget, FY19 General Fund budgeted revenues, expenditures over the last 10 years, decrements to date, undesignated working capital and total fund balance, revenue from sales and property taxes in addition to other General Fund revenue sources, revenue from Federal and

State grants (operating and capital improvements), transfers in from other funds, management fees, personnel changes from FY18 to FY19, salary and benefits by department, travel/training and equipment, transfers out of the General Fund, FY19 General Fund capital projects, and local support for school funding.

B 18-042 Discussion/Direction of the FY19 Municipal Budget and as it relates to the General Fund, other Funds, the School District and the Sitka Community Hospital (*Assembly may take action*)

A motion was made by Wein to eliminate the contracted lobbyist and any associated costs with the lobbyist contract.

Yes: 5 - Miyasato, Eisenbeisz, Potrzuski, Hunter, and Wein

Absent: 2 - Knox, and Bean

After the vote to remove the lobbyist funding, it was determined the funding for the lobbyist existed in the Electric Fund budget not the General Fund as previously thought. With the current information, Eisenbeisz expressed concern with his vote to remove the lobbyist funding without hearing from the Utility Director. Wein gave notice to reconsider the motion and revisit the item at the next budget meeting on March 22.

Speaking from the public, Hugh Bevan wondered if the air pack purchases could be made over several budget cycles. Fire Chief, Dave Miller, explained air packs were purchased on the same day and expired at the same time. He commented it was best practice to have them all with the same expiration date. Without air packs, firefighters would not be able to enter into buildings. Administrator Brady commented it was his decision to remove the air packs from the FY19 budget. The Fire Department was currently in the process of applying for a group grant for the air packs however clarified an appropriation would be needed if the grant was not received.

A motion was made by Eisenbeisz to remove the Fire Department air packs from the General Fund decrement list and add them back to the FY19 budget. The motion PASSED by the following vote.

Yes: 5 - Miyasato, Eisenbeisz, Potrzuski, Hunter, and Wein

Absent: 2 - Knox, and Bean

VI. PERSONS TO BE HEARD:

Rebecca Himschoot wondered if there were areas within the City budget where savings could be made to in turn help the School District. Himschoot stated she served on the State Board of Education and communities across the state were facing cuts.

Hugh Bevan applauded staff for their work. He suggested holding off on the fire truck and ambulance purchases and also reexamining management fees.

Eric Vancise, a member of the School Board, thanked the Assembly and staff, and found the presentation to be very informative.

VII. EXECUTIVE SESSION

None.

VIII. ADJOURNMENT

A motion was made by Miyasato to ADJOURN. Hearing no objections, the meeting ADJOURNED at 8:35pm.

ATTEST: _____
Sara Peterson, MMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 18-058 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 3/21/2018 In control: City and Borough Assembly

On agenda: 3/27/2018 Final action:

Title: Reappoint Trish White to a three-year term on the Local Emergency Planning Committee

Sponsors:

Indexes:

Code sections:

Attachments: [Motion and White LEPC application redacted..pdf](#)

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
|------|------|-----------|--------|--------|

POSSIBLE MOTION

I MOVE TO reappoint Trish White to a three-year term on the Local Emergency Planning Committee.

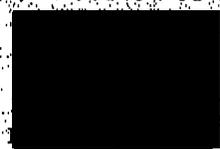

White's




Harry Race



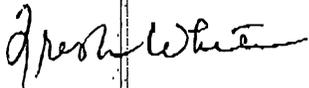

Seasons



To Whom It May Concern:

It has been my honor to serve on the Local Emergency Planning Committee these past several years. During my time on the board we have updated policy and had both table top exercises and real life emergency drills. It's been a huge part of our preceptor responsibilities to include our students in the varied activities of the LEPC-from the city wide influenza clinics to participation in emergency drills; it offers a real look at the abilities and challenges of any small community. I hope to continue to serve on this board-it's a great group and we have lots of work to do!

Thank you,



Trish White

3/15/18

▲

State of Alaska
LOCAL EMERGENCY PLANNING COMMITTEE
INDIVIDUAL APPLICATION FORM FOR MEMBERSHIP ON LEPC

LEPC name: Sitka Local Emergency Planning Committee

Applicant name: Trish White

Mailing address: [REDACTED]

Residence address: [REDACTED]

Day phone: [REDACTED] Home Phone (optional): [REDACTED]

Where employed: Whites Inc. Job title: Pharmacist - owner

LEPC category/seat that applicant seeks: 5

Categories: 1) Elected local officials, 2) Law Enforcement, Civil Defense, Fire Fighting, First Aid, Local Env/Hospital, and Transportation Personnel, 3) Media/Broadcast, 4) Community Groups, 5) Owners/Operators of Facilities, 6) Members of the Public, 7) LEPC Information Coordinator/SERG Liaison

New applicant Renewal Regular member Alternate member

Qualifications for this category: hospital + community pharmacist
- excellent teaching opportunity for
the pharmacy students we precept
- past member (for over 8 + years)

Organizations in which applicant participates (that are pertinent to the application): BPAU - American
Pharm Assn - Natl Assn of Pharmacist - hospital - preceptor
for 5 Colleges of Pharmacy -

Please provide enough information to demonstrate an applicant's eligibility or suitability for a particular seat on the LEPC. For the Public At Large position, please state whether an applicant qualifies for any other category on the LEPC.

Please note: all information submitted will be made public and published online. Appointments are normally made during open session of an Assembly meeting, however, Assembly members may vote to discuss applicant(s) in closed executive session. In this case, do you wish to be present when your application is discussed? Yes No

I hereby certify that the above information is correct and that I have not misrepresented myself.

Trish White 3/21/18
Signature Date

→ To be considered, your application must be complete AND be accompanied by either a letter of interest or resume. Return to:
Melissa Henshaw, Deputy Clerk
100 Lincoln Street
Fax: 907-747-7403
Email: melissa.henshaw@cityofsitka.org



LOCAL EMERGENCY PLANNING COMMITTEE

| NAME | CONTACT NUMBERS | | TERM STARTS | EXPIRES | CATEGORY |
|---|-------------------------------|-----------------------------------|-------------------------------|-------------------------------|----------|
| DAVE MILLER, CHAIR | 747-1860 | dave.miller@cityofsitka.org | Permanent | Fire Chief* | 2 |
| GEORGE BENNETT JR. 225 Tongass Drive | 966-8916 | gbennett@searhc.org | 3/28/17 | 3/28/20 | 2 |
| SHANNON FREITAS 222 Tongass Drive | 966-8511 | shannonf@searhc.org | 3/28/17 | 3/28/20 | 2 |
| MICHAEL SANDERS PO Box 226 | 738-2442 | md.sanders8@gmail.com | 9/26/17 | 9/26/20 | 2 |
| ALAN STEVENS 2606 Sawmill Creek Road | 747-8848 738-8237 | astevenssit@gmail.com | 1/23/18 | 1/23/21 | 2 |
| PAT HUGHES 1108 Edgumbe Drive | 747-0303 738-6119 | phughes@sitkahospital.org | 2/13/18 | 2/13/21 | 2 |
| DONNA CALLISTINI 208 Lake Street #2G | 747-7107 w 747-5494 | donna.callistini@yahoo.com | 10/26/10, 11/12/13 1/23/18 | 10/26/13, 11/12/16 1/23/21 | 3 |
| GAYLE HAMMONS 210 Kruzof Street | 738-3028 c | kghammons@gmail.com | 7/28/15 | 7/28/18 | 3 |
| ANNABEL LUND PO Box 1616 | 623-0996 h | alund1123@yahoo.com | 4/13/10, 4/23/13 4/12/16 | 4/13/13, 4/23/16 4/12/19 | 4 |
| CAROL BERGE 315 Wachussetts Street | 747-3636 w 738-3433 | phoenix_fire957@yahoo.com | 8/14/12 8/11/15 | 8/14/15 8/11/18 | 4 |
| TRISH WHITE 117 Granite Creek Road | 747-8006X202 w; 747-5976 h | trish@whitesalaska.com | 3/10/09, 3/13/12 3/24/15 | 3/10/12, 3/15/15 3/24/18 | 5 |
| SCOTT WAGNER 304 Nicole Drive | 747-3791 h 738-2729 c | scott_wagner@nsraa.org | 11/12/13 12/27/16 | 11/12/16 12/27/19 | 5 |
| MARY ANN HALL 2037 Halibut Point Road | 747-7265 | | 8/23/11, 8/12/14 8/8/17 | 8/23/14, 8/12/17 8/8/20 | 6 |
| AUBREY VAUGHAN 315 Seward Street | 361-774-1234 | ellenvaughan68@gmail.com | 10/11/16 | 10/11/19 | 6 |
| ROSE MILLER 120 Katlian Street | 723-2225 | | 6/13/17 | 6/13/20 | 6 |
| JEFF ANKERFELT | 747-3245 | jeff.ankerfelt@sitkapd.org | Permanent | Police Chief* | 2 |
| LANCE EWERS | 747-3245 | lance.ewers@sitkapd.org | Permanent | Law Enforcement* | 2 |
| CRAIG WARREN | 747-3233 | craig.warren@cityofsitka.org | Permanent | LEPC Coordinator* | 7 |
| BOB POTRZUSKI | 738-3261 | assemblypotrzuski@cityofsitka.org | Non-Voting | Assembly Liaison | 1 |
| Gail Johansen Peterson 3511 Halibut Point Road | 747-7646 | scribeinkservices@gmail.com | | Secretary | |

*The police and fire chiefs and the LEPC Coordinator are permanent appointments; whoever is serving in that capacity will be appointed to the commission. Minimum of seven members, 3-year terms; Established by Resolution 89-406; Amended by Resolution 89-441 and 99-727. Meeting: Second Thursday, noon – Fire Hall. **Quorum Requirement:** At least one member from four different categories must be present. **Categories as follows:** 1) Elected local officials 2) Law Enforcement, Civil Defense, Fire Fighting, First Aid, Local Environmental/Hospital, and Transportation Personnel 3) Media/ Broadcast 4) Community Groups 5) Owners/Operators of Facilities 6) Members of the Public 7) LEPC Information Coordinator/ SERC liaison



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 18-04S Version: 1 Name:
Type: Ordinance Status: AGENDA READY
File created: 2/5/2018 In control: City and Borough Assembly
On agenda: 3/27/2018 Final action:
Title: Amending Title 15 of the Sitka General Code by adding a new Chapter 15.15 "Utility Cost Subsidization Program"
Sponsors:
Indexes:
Code sections:

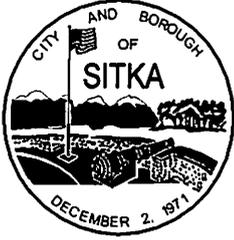
Attachments: [Motion and memo Ord 2018-04S.pdf](#)
[Ord 2018-04S.pdf](#)
[Previous version 2018-04..pdf](#)

| Date | Ver. | Action By | Action | Result |
|-----------|------|---------------------------|-----------|--------|
| 3/13/2018 | 1 | City and Borough Assembly | | |
| 2/13/2018 | 1 | City and Borough Assembly | POSTPONED | Pass |
| 2/13/2018 | 1 | City and Borough Assembly | | |
| 2/13/2018 | 1 | City and Borough Assembly | | |

Sponsors: Potrzuski/Knox

POSSIBLE MOTION

I MOVE TO approve Ordinance 2018-04S on
second and final reading.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Mayor Hunter and Assembly Members
Keith Brady, Municipal Administrator

From: Assembly Members Bob Potrzuski and Kevin Knox

Date: 2/7/18

Subject: Approve Ordinance 2018-04 Utility Cost Subsidization Program

This ordinance is in response to long-standing discussion about mitigating the rise in utility rates over the last few years for those least able to afford them. Providing utility assistance to Sitka's most vulnerable citizens brings a measure of equity to our rate structure. Utility costs often represent a higher percentage of a household budget for low to low-middle income households and particularly for fixed income households. Offering assistance to reduce that burden increases that households economic strength and local impact, bringing benefit to the household and possibly to Sitka's economy in general.

This ordinance would provide a mechanism to provide assistance through a monthly utility rebate to individual customer accounts based on the level of need and availability of funding for the program. An annual application for the program will account for the number of assistance rebates divided into the annual appropriation by the Assembly. (See 15.15.020 Paragraph H)

The mechanisms for qualifying are in place already (Medicaid/Medicare, BIHA, SNAP, etc) and would only need to be reviewed by staff for eligibility. Because applicants would come 'pre-approved' it should not be onerous. (See 15.15.030 Paragraph A)

If the city finds itself, in the future, unable to provide funding for this program, assistance would then be suspended at the annual renewal date. Funding of \$400,000 was approved for FY '18 and due to various issues this ordinance was never fully vetted until now. Providing some measure of assistance as soon as practical is prudent given the availability of funds and a clear need to provide assistance to those most in need in our community.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2018-04S

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING TITLE 15 OF THE SITKA GENERAL CODE BY ADDING A NEW CHAPTER 15.15 "UTILITY COST SUBSIDIZATION PROGRAM"

1. CLASSIFICATION. This ordinance is of a permanent nature and is intended to become a part of the Sitka General Code.

2. SEVERABILITY. If any provision of this ordinance or any application to any person or circumstance is held invalid, the remainder of this ordinance and application to any person or circumstance shall not be affected.

3. PURPOSE. The purpose of this ordinance is to add a new chapter to Title 15 of the Sitka General Code to establish a utility cost subsidization program to help low- and middle-income households with the cost of utilities, by providing a regulatory framework for the subsidization of utility costs as a social welfare program. This ordinance shall set forth how and when utility cost subsidizations shall be authorized and implemented; how long such subsidizations shall continue for; when such subsidizations shall be terminated; and, penalties for obtaining subsidies under false pretenses.

4. ENACTMENT. NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that the Sitka General Code Title 15 is amended by adding a new Chapter 15.15, entitled "Utility Cost Subsidization Program," to read as follows (new language underlined):

Title 15
PUBLIC UTILITIES

- 15.01 Electric Utility Policies
15.02 Watershed Control Program
15.04 Sewer System
15.05 Water System
15.06 Solid Waste Treatment and Refuse Collection
15.07 Storm Drainage
15.08 Utility Poles
15.12 Private Extensions of Water, Wastewater, and Stormwater Utilities
15.15 Utility Cost Subsidization Program

Chapter 15.15
Utility Cost Subsidization Program

Sections:

- 15.15.010 Definitions.
15.15.020 Policy and Procedure.

53 15.15.030 Eligibility for Subsidization.

54 15.15.040 Penalties for Receiving Subsidization Under False Pretenses.

55
56 **15.15.010 Definitions.**

57
58 A. A “household” consists of all the people who occupy a “housing unit”. A house, an apartment
59 or other group of rooms, or a single room, is regarded as a housing unit when it is occupied or
60 intended for occupancy as separate living quarters; that is, when the occupants do not live with
61 any other persons in the structure and there is direct access from the outside or through a
62 common hall. A previously designated live aboard vessel in the city and borough harbor system
63 is also regarded as a housing unit. A household includes the related family members and all the
64 unrelated people, if any, such as lodgers, foster children, wards, or employees who share the
65 housing unit. A person living alone in a housing unit, or a group of unrelated people sharing a
66 housing unit such as partners or roomers, is also counted as a household. The count of
67 households excludes group quarters.

68
69 B. “Obligation” or “debt” means any sum of money which a citizen of the city and borough, or
70 customer of the city and borough in some capacity, is legally obligated to pay to the city and
71 borough for any purpose.

72
73 C. “Past-due” refers to any obligation or debt owed to the city and borough which has not been
74 paid within thirty days of the date the payment was due. As an exception, debts owed for utility
75 services consumed are considered overdue fifteen days after the date the payment was due.

76
77 D. “Subsidization” refers to “utility cost subsidization”.

78
79 **15.15.020 Policy and Procedure.**

80
81 A. It shall be the policy of the city and borough that applicants meeting certain criteria shall be
82 eligible for subsidization of their municipal utility costs from general governmental sources. This
83 subsidization is intended as a social welfare payment.

84
85 B. Subsidization shall be in the form of general governmental subsidy payments to municipal
86 utility accounts for the benefit of eligible applicants. Under no circumstances may subsidization
87 be in the form of reduced utility rates or the provision of free utility services.

88
89 C. A separate utility cost subsidization fund shall be established at inception by a special
90 appropriation of the assembly. That fund may be annually funded by a budgetary appropriation
91 of the assembly. The total amount of annual utility cost subsidization by the city and borough
92 shall be in the municipal administrator’s annual consolidated operating budget. Monies
93 appropriated and used for utility cost subsidization shall be accounted for in a separate fund and
94 shall be used for no other purpose than utility cost subsidization.

95
96 D. Applications for subsidization shall be submitted to the finance department on forms
97 provided by the finance department. Only one applicant per household is allowed. And, only one
98 subsidization per applicant is allowed. A subsidization period shall be for one year, starting
99 January following the application period. If an applicant is deemed eligible for subsidization, that
100 eligibility only extends for the upcoming subsidization period. Applications must be submitted
101 during the application period, between August 1st and October 31st each year, for the upcoming

102 subsidization period. Any applicant deemed eligible for a subsidization period must re-apply for
103 eligibility in any subsequent subsidization period.

104
105 E. The finance department shall examine all applications, determine the eligibility of each
106 applicant, and make a recommendation to the administrator as to the eligibility of each
107 applicant.

108
109 F. Upon receiving the finance departments recommendations, the administrator, in his or her
110 sole discretion and before the applicable subsidization period, shall accept and/or reject each
111 recommendation and submit the applicants thereby determined eligible for a subsidy to the
112 finance department for disbursement of the subsidy during the applicable subsidization period.

113
114 G. Upon receiving the administrator's declaration of applicants eligible for a subsidy during the
115 upcoming subsidization period, the finance department shall credit those applicant utility
116 accounts the applicable monthly subsidy each month during the upcoming subsidization period.

117
118 H. The applicable monthly subsidy available for each eligible applicant during any subsidization
119 period shall be calculated by taking the total subsidization appropriation for that subsidization
120 period, divided by 12 (months), and, then, divided by the number of eligible applicants for the
121 upcoming subsidization period. The applicable monthly subsidy shall not exceed sixty-five
122 dollars. The applicable monthly subsidy shall be credited before sale tax is applied.

123
124 **15.15.030 Eligibility for Subsidization.**

125
126 A. An applicant must be a customer receiving and responsible for paying electric utility services
127 from the city and borough for the housing unit in which the applicant resides during the
128 applicable subsidization period.

129
130 B. Any applicant shall be eligible for subsidization if the applicant is receiving assistance, on the
131 date of the application, from any of the following programs:

132 1. Supplemental Nutrition Assistance Program (SNAP) administered from the State of
133 Alaska through the local Division of Public Assistance office in association with the
134 United States Department of Agriculture (USDA) Food and Nutrition Services.

135 2. Medicaid administered from the State of Alaska through the local Division of Public
136 Assistance.

137 3. Baranof Island Housing Authority (BIHA), the tribally designated housing entity for the
138 Sitka Tribe of Alaska (STA) administered through the Sheet'iká X'áat'i Hitx'i'" (Sitka
139 Island Housing) office.

140 4. National School Lunch Program (NSLP) administered through the Sitka School
141 District (SSD), known as Free and Reduced School Lunch Program in association with
142 the USDA.

143 In order to be eligible for subsidization, the applicant must provide the finance department with
144 satisfactory documentary evidence that he or she is currently receiving assistance from one of
145 the programs.

146
147 C. If assistance from the program identified by the applicant for eligibility is discontinued before
148 or during the subsidization period, the applicant shall notify the finance department within thirty
149 days of discontinuance of the assistance and the city and borough shall terminate the
150 subsidization for the remainder of the subsidization period.

151
152 D. An applicant will be deemed ineligible for a subsidy if the applicant has any past-due
153 obligation owed to the city and borough other than utility-related obligations. These other
154 obligations shall include all unpaid citations and billings for protective custody cases. On a
155 case-by-case basis, the administrator may waive, reduce, or create a payment plan for past due
156 obligations in order for an applicant to be eligible for subsidization.

157
158 **15.15.040 Penalties for Receiving Subsidization Under False Pretenses.**

159
160 A. It will be unlawful for any citizen to receive subsidization under this chapter under false
161 pretenses. It will also be unlawful for any citizen to continue to receive subsidization under this
162 chapter if assistance from the program identified by the applicant for eligibility is discontinued
163 before or during the subsidization period.

164
165 B. Upon the determination that an unlawful act may have occurred in which subsidization was
166 received under false pretenses, the city and borough may notify the appropriate law
167 enforcement agency so that a criminal investigation may be initiated.

168
169 **5. EFFECTIVE DATE.** This ordinance shall become effective the day after the date
170 of its passage.

171
172 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of
173 Sitka, Alaska, this 27th day of March, 2018.

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177 _____
178 Matthew Hunter, Mayor

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182 _____
183 Sara Peterson, MMC
184 Municipal Clerk

185 1st reading 2/13/18 – postponed to 3/13/18
186 1st reading 3/13/18 – substitute ordinance introduced
187 2nd reading 3/27/18

Previous version
introduced on 2/13/18

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Previous Version

Sponsors: Potrzuski/Knox

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2018-04

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING TITLE 15 OF THE SITKA GENERAL CODE BY ADDING A NEW CHAPTER 15.15 "UTILITY COST SUBSIDIZATION PROGRAM"

1. **CLASSIFICATION.** This ordinance is of a permanent nature and is intended to become a part of the Sitka General Code.

2. **SEVERABILITY.** If any provision of this ordinance or any application to any person or circumstance is held invalid, the remainder of this ordinance and application to any person or circumstance shall not be affected.

3. **PURPOSE.** The purpose of this ordinance is to add a new chapter to Title 15 of the Sitka General Code to establish a utility cost subsidization program to help low- and middle-income households with the cost of utilities, by providing a regulatory framework for the subsidization of utility costs. This ordinance shall set forth how and when utility cost subsidizations shall be authorized and implemented; how long such subsidizations shall continue for; when such subsidizations shall be terminated; and, penalties for obtaining subsidies under false pretenses.

4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that the Sitka General Code Title 15 is amended by adding a new Chapter 15.15, entitled "Utility Cost Subsidization Program," to read as follows (new language underlined):

Title 15 Public Utilities

- 15.01 Electric Utility Policies
- 15.02 Watershed Control Program
- 15.04 Sewer System
- 15.05 Water System
- 15.06 Solid Waste Treatment and Refuse Collection
- 15.07 Storm Drainage
- 15.08 Utility Poles
- 15.12 Private Extensions of Water, Wastewater, and Stormwater Utilities
- 15.15 Utility Cost Subsidization Program

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Previous version

Ordinance No. 2018-04

Page 2

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Chapter 15.15 Utility Cost Subsidization Program

50 Sections:

51 15.15.010 Definitions.

52 15.15.020 Policy and Procedure.

53 15.15.030 Eligibility for Subsidization.

54 15.15.040 Penalties for Receiving Subsidization Under False Pretenses.

55

56 15.15.010 Definitions.

57

58 A. "Household" a household consists of all the people who occupy a housing unit. A house, an
59 apartment or other group of rooms, or a single room, is regarded as a housing unit when it is
60 occupied or intended for occupancy as separate living quarters; that is, when the occupants do
61 not live with any other persons in the structure and there is direct access from the outside or
62 through a common hall. A household includes the related family members and all the unrelated
63 people, if any, such as lodgers, foster children, wards, or employees who share the housing unit.
64 A person living alone in a housing unit, or a group of unrelated people sharing a housing unit
65 such as partners or roomers, is also counted as a household. The count of households excludes
66 group quarters.

67 B. "Obligation" or "debt" means any sum of money which a citizen of the city and borough, or
68 customer of the city and borough in some capacity, is legally obligated to pay to the city and
69 borough for any purpose.

70 C. "Past-due" refers to any obligation or debt owed to the city and borough which has not been
71 paid within thirty days of the date the payment was due. As an exception, debts owed for utility
72 services consumed are considered overdue fifteen days after the date the payment was due.

73 D. "Subsidization" refers to "utility cost subsidization".

74 15.15.020 Policy and Procedure.

75

76 A. It shall be the policy of the city and borough that applicants meeting certain criteria shall be
77 eligible for subsidization of their municipal utility costs from general governmental sources.

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80 utility accounts for the benefit of eligible applicants. Under no circumstances may subsidization
81 be in the form of reduced utility rates or the provision of free utility services.

82

83 C. A separate utility cost subsidization fund shall be established at inception by a special
84 appropriation of the assembly. That fund may be annually funded by a budgetary appropriation
85 of the assembly. The total amount of annual utility cost subsidization by the city and borough
86 shall be in the municipal administrator's annual consolidated operating budget. Monies
87 appropriated and used for utility cost subsidization shall be accounted for in a separate fund and
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Previous Version

Ordinance No. 2018-04

Page 3

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90 provided by the finance department. Only one applicant per household is allowed. A
91 subsidization period shall be for one year, starting January following the application period. If an
92 applicant is deemed eligible for subsidization, that eligibility only extends for the upcoming
93 subsidization period. Applications must be submitted during the application period, between
94 August 1st and October 31st each year, for the upcoming subsidization period. Any applicant
95 deemed eligible for a subsidization period must re-apply for eligibility in any subsequent
96 subsidization period.

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98 E. The finance department shall examine all applications, determine the eligibility of each
99 applicant, and make a recommendation to the administrator as to the eligibility of each applicant.
100

101 F. Upon receiving the finance departments recommendations, the administrator, in his or her sole
102 discretion and before the applicable subsidization period, shall accept and/or reject each
103 recommendation and submit the applicants thereby determined eligible for a subsidy to the
104 finance department for disbursement of the subsidy during the applicable subsidization period.
105

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107 upcoming subsidization period, the finance department shall credit those applicant utility
108 accounts the applicable monthly subsidy each month during the upcoming subsidization period.
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110 H. The applicable monthly subsidy available for each eligible applicant during any subsidization
111 period shall be calculated by taking the total subsidization appropriation for that subsidization
112 period, divided by 12 (months), and, then, divided by the number of eligible applicants for the
113 upcoming subsidization period. The applicable monthly subsidy shall not exceed sixty-five
114 dollars. The applicable monthly subsidy shall be credited before sale tax is applied.
115

116 15.15.030 Eligibility for Subsidization.

117

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119 from the city and borough for the housing unit in which he or she will reside during the
120 applicable subsidization period.
121

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123 date of the application, from any of the following programs:

124 1. Supplemental Nutrition Assistance Program (SNAP) administered from the State of
125 Alaska through the local Division of Public Assistance office in association with the
126 United States Department of Agriculture (USDA) Food and Nutrition Services.

127 2. Medicaid administered from the State of Alaska through the local Division of Public
128 Assistance.

129 3. Baranof Island Housing Authority (BIHA), the tribally designated housing entity for
130 the Sitka Tribe of Alaska (STA) administered through the Sheet'iká X'áat'i Hitx'i'" (Sitka
131 Island Housing) office.

132 4. National School Lunch Program (NSLP) administered through the Sitka School
133 District (SSD), known as Free and Reduced School Lunch Program in association with
134 the USDA.

Previous version

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136 satisfactory documentary evidence that he or she is currently receiving assistance from one of the
137 programs.

138
139 C. If assistance from the program identified by the applicant for eligibility is discontinued before
140 or during the subsidization period, the applicant shall notify the finance department within thirty
141 days of discontinuance of the assistance and the city and borough shall terminate the
142 subsidization for the remainder of the subsidization period.

143 D. An applicant will be deemed ineligible for a subsidy if the applicant has any past-due
144 obligation owed to the city and borough other than utility-related obligations. These other
145 obligations shall include all unpaid citations and billings for protective custody cases. On a case-
146 by-case basis, the administrator may waive, reduce, or create a payment plan for past due
147 obligations in order for an applicant to be eligible for subsidization. If any such obligation
148 becomes past-due during a subsidization period, the city and borough shall terminate the
149 subsidization.

150
151 **15.15.040 Penalties for Receiving Subsidization Under False Pretenses.**
152

153 A. It will be unlawful for any citizen to receive subsidization under this chapter under false
154 pretenses. It will also be unlawful for any citizen to continue to receive subsidization under this
155 chapter if assistance from the program identified by the applicant for eligibility is discontinued
156 before or during the subsidization period.

157 B. Upon the determination that an unlawful act may have occurred in which subsidization was
158 received under false pretenses, the city and borough may notify the appropriate law enforcement
159 agency so that a criminal investigation may be initiated.

160
161 **5. EFFECTIVE DATE.** This ordinance shall become effective the day after the
162 date of its passage.

163
164 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of
165 Sitka, Alaska, this 27th day of February, 2018.

166
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168 _____
169 Mathew Hunter, Mayor

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173 _____
174 Sara Peterson, MMC
175 Municipal Clerk

176 1st reading 2/13/18
177 2nd reading 2/27/18



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 18-06 Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 2/21/2018 In control: City and Borough Assembly

On agenda: 3/27/2018 Final action:

Title: Adjusting the FY18 Budget (Library Donation, O'Connell Lightering Facility Repair Project)

Sponsors:

Indexes:

Code sections:

Attachments: [Motion and memo Ord 2018-06.pdf](#)
[Ord 2018-06.pdf](#)
[September 2017 Approved Budget Adjustment 2017-31.pdf](#)
[Cost Study and Marketing Research Results and Recommendations.pdf](#)

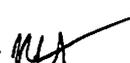
| Date | Ver. | Action By | Action | Result |
|-----------|------|---------------------------|--------|--------|
| 3/13/2018 | 1 | City and Borough Assembly | | |

POSSIBLE MOTION

I MOVE TO approve Ordinance 2018-06 on
second and final reading.

MEMORANDUM

To: Mayor Hunter and Assembly Members
Keith Brady, Municipal Administrator

From: Stan Eliason, Harbormaster 
Michael Harmon, P.E., Public Works Director 
Dan Tadic, P.E., Municipal Engineer 

Reviewed: Jay Sweeney, Chief Finance and Administrative Officer 

Date: March 6, 2018

Subject: **O'Connell Bridge Lightering Float Pile Replacement
Additional Appropriation**

Background

With lightering traffic at the O'Connell Bridge Lightering Float (OBLF) reduced due to cruise ships choosing to berth at the Old Sitka Dock, Harbor Staff have found OBLF to be a popular moorage location for yacht customers. However, the existing piles at the OBLF were installed too shallow to support yacht moorage as evidenced by several piles that were displaced during a 2017 storm event and confirmed by a subsequent engineering assessment.

On September 12, 2017 the Assembly approved an appropriation of \$280,000 from the Harbor Fund undesignated working capital to a new Capital Project, O'Connell Lightering Float Pile Replacement (Proj. No. 90850) on 2nd reading. This amount included \$10,000 to conduct marketing research for the facility.

Staff efforts to fast track the project (to take advantage of the presence of a marine contractor in Sitka and thus save on mobilization costs) were stalled when regulatory agency feedback indicated they would impose extreme conditions which would render the project difficult if not impossible to complete under a general permit.

Analysis

In the opinion of Staff, the only practical way to complete the project is to obtain an Incidental Harassment Authorization (IHA) permit under the Marine Mammal Protection Act. This permit can take 9-12 months to obtain at costs ranging from \$80,000-\$120,000 or more. This permit requires very specific information on Contractor means and methods. Rather than speculate on those details, Staff feels it prudent to make the permitting the responsibility of the Contractor as was done for the Gary Paxton Industrial Park Dock. In this scenario, the CBS would remain the permit applicant with all legwork and risk transferring to the Contractor.

The results of the marketing research study indicate that cost is of little concern to yacht customers and rates could be increased significantly over the current level. While there are additional facility improvements the yacht customers would like to see completed,

the author of the study went on to conclude that OBLF can cover its direct cost and make a reasonable contribution to the Harbor Fund as well.

Bid documents have been prepared and are in the process of being assembled. If additional funds are appropriated, Staff anticipates advertising for bids in late March with contract award likely in early May 2018. It is reasonable to anticipate project completion by May 31, 2019 on time to accommodate the 2019 yacht season.

Fiscal Note

The current cost estimate for the project to include the marketing study, design, permitting, construction, inspection, and management is \$570,000. With \$280,000 already appropriated, the additional funding required is \$290,000. This number includes a reasonable contingency. This work would be paid for out of the unrestricted balance of the Harbor Fund.

Please refer to the key points outlined in the Fiscal Note within the attached August 15, 2017 memo to the Assembly.

Recommendation

Approve Ordinance 2018-06 appropriating \$290,000 from the unrestricted balance of the Harbor Fund to Capital Project No. 90850, O'Connell Bridge Lightering Float Pile Replacement.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2018-06
AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA
ADJUSTING THE FY18 BUDGET (LIBRARY DONATION, O'CONNELL LIGHTERING
FACILITY REPAIR PROJECT)

BE IT ENACTED by the Assembly of the City and Borough of Sitka, Alaska as follows:

1. CLASSIFICATION. This ordinance is not of a permanent nature and is not intended to be a part of the Sitka General Code of the City and Borough of Sitka, Alaska.

2. SEVERABILITY. If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and application thereof to any person and circumstances shall not be affected thereby.

3. PURPOSE. The purpose of this ordinance is to adjust the FY18 budgets for known changes.

4. ENACTMENT. The Assembly of the City and Borough of Sitka hereby adjusts the FY18 budget for known changes. In accordance with Section 11.10(a) of the Charter of the City and Borough of Sitka, Alaska, the budget for the fiscal period beginning July 1, 2017 and ending June 30, 2018 is hereby adjusted as follows:

Table with 2 main sections: GENERAL FUND and CAPITAL PROJECTS. Includes details for Library Department and Fund 750.

EXPLANATION

Necessary revisions in the FY 2018 budget were identified. These changes involve the increase of expenditure accounts and causes decreased cash flows to the fund balance of various funds. A short explanation of each budget revision is included.

5. EFFECTIVE DATE. This ordinance shall become effective on the day after the date of its passage.

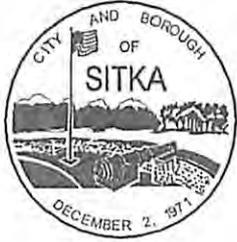
PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 27th Day of March, 2018.

ATTEST:

Matthew Hunter, Mayor

Sara Peterson, MMC
Municipal Clerk

1st reading 3/13/18
2nd reading 3/27/18



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Mayor Hunter and Assembly Members
Phillip Messina, Interim Municipal Administrator

From: Jay Sweeney, Chief Finance and Administrative Officer

Cc: Michael Harmon, Public Works Director
Stan Eliason, Harbormaster

Date: August 15, 2017

Subject: Supplemental Budget Appropriation to Repair O'Connell Lightering Facility

Background

A recent inspection of the O'Connell Lightering Facility was completed after CBS staff observed several piling had shifted out of plumb after a storm event. Through that inspection, it was determined that the facility is not able to safely accommodate yachts and large vessels over 40 feet in length. The piling can be replaced and socketed into the rock to a greater depth to accommodate larger vessels; however, the cost of the repairs depends on whether a repair barge needs to be mobilized, and, whether such repairs are in the best economic interest of the Municipality. Administration is requesting a supplemental appropriation from the Harbor Fund to repair the facility even though not all pertinent information is available to conduct an economic analysis of the facility.

Analysis

1. CBS Harbor Staff observed several piling had shifted out of plumb after a storm event.
2. A subsequent inspection of the O'Connell Lightering Facility was completed which determined that the facility cannot safely moor yachts and larger commercial vessels.
3. The piling can be replaced and socketed into the rock to a greater depth to accommodate larger vessels; however, the cost is dependent on whether or not a repair barge must be mobilized. A repair barge will be mobilized this fall to construct the GPIP dock; if that barge is also used to repair the O'Connell facility, the cost of repair is estimated to be \$270,000. If a barge must be separately summoned at a different time, the cost of repair is estimated at \$384,000 (barge mobilization costs are estimated to be \$114,000).

4. Unless and until the O'Connell Lightering Facility is repaired, yachts and large vessels can't be safely moored at it. Some, but not all, of these vessels can be alternatively moored at Eliason Harbor instead.
5. O'Connell Lightering facility is extremely popular with yachts owners/captains due to its downtown location and exclusive accommodations. The facility had generated \$38,408.40 in revenue in summer 2017 up until it was determined that the facility could not safely accommodate yachts. 30 days of reservations were cancelled which would have generated an additional \$29,754.00 for the Harbor Fund.
6. The O'Connell Lightering facility is still functional and usable, however, by lighters and smaller vessels.
7. The costs of future repair and renovation of the O'Connell Lightering Facility have not been built into the Harbor long-term fiscal plan.
8. Not all of the facts are available to complete an economic analysis of the potential repair of the facility. Facts not readily available are potential moorage available if the facility is repaired and improved; and, net moorage revenue lost if the facility is not repaired. This information is necessary to determine if there is a net present value of future cash moorage cash flows versus repair costs; a net present value would be important to economically justify repairs.

Fiscal Note

1. As the costs of future repair and renovation of the O'Connell Lightering Facility have not been built into the Harbor long-term fiscal plan, no portion of the fund balance in the Harbor Fund can be considered to have been accumulated for the repair of the facility. The Assembly could, however, direct that some portion of the Harbor Fund balance be restricted for repair of the facility, or, direct that repairs be made utilizing the existing Harbor Fund balance that will be replenished over time by moorage fees from the facility.
2. Existing moorage fees for the O'Connell Lightering facility have been factored into the Harbor fiscal plan as a revenue stream to finance other future construction and repair costs. These existing moorage fees include \$991.80 per day for the moorage of large yachts and other commercial vessels. A representative from another yacht mooring facility in the Pacific Northwest suggested that we should be charging a minimum of \$3,000.00 per day up to \$5,000.00 for such an exclusive facility.
3. It is feasible that the \$991.80 per day moorage charge for yachts and other large vessels at the O'Connell Lightering Facility could be increased, possibly up to \$5,000 per day as stated previously, provided that exclusive access and other amenities such as water, security, and improved wireless communication are provided. Exactly how much the daily moorage could be raised up to, and the related elasticity of demand for each additional dollar of daily moorage is unknown and can't be determined without marketing research. Luxury items, at some point, tend to have demand curves which are more inelastic (sensitive to price increases) than necessities. The shape of the demand curve for exclusive moorage in Sitka, Alaska is unknown at this time but could be reasonably determined with research.
4. If daily moorage charges are increased, as some point yacht and large vessel owner will begin to demand greater exclusivity and amenities. These could conceivably include (in addition to the amenities listed above) having harbor officials complete all registration

paperwork at the O'Connell facility instead of at the harbor office, and, perhaps restricted access via key or security code to the lightering dock. Having exclusive moorage with direct access to downtown is a great selling point in and of itself; however, the higher the daily moorage fee is raised, the greater the demand will be for exclusivity and amenities.

5. Complicating research regarding price elasticity for exclusive moorage at the O'Connell Lightering Facility is the fact that some alternative less-exclusive moorage does exist at Eliason Harbor. At what price point yacht and large vessel owners are economically induced to moor at Eliason Harbor as opposed to paying higher exclusive moorage rates at the O'Connell facility is unknown but determinable with research. At today's rates, O'Connell is a preferred location as opposed to other locations within the Harbor system.
6. Once demand at different price points can be reasonably estimated, an economic analysis could be prepared to determine if the net present value of all related cash streams is positive (i.e., the project pencils out). The present value (i.e., discounted value of future cash flows measured today) of additional cash flows from increased moorage would need to exceed the cost of repairs for the project to economically "pencil out".
7. The time required to gather additional facts and conduct an economic analysis is longer than the time period available to make the decision regarding whether or not to authorize repairs now, taking advantage of lower overall repair costs by not having to mobilize an additional repair barge.
8. The decision to repair now, or wait until more information is known and repair later, will have to be made using assumptions and estimates and will, therefore, involve a degree of risk. There is a possibility that repairs will be made, moorage is increased, and the project pencils out. There is also risk that the opposite happens.

Recommendation

Administration recommends that the Assembly approve the following:

- A. A supplemental appropriation from the unrestricted balance of the Harbor Fund in the amount of \$270,000 to repair the pilings at the O'Connell Lightering Facility;
- B. A supplemental appropriation from the unrestricted balance of the Harbor Fund in the amount of \$10,000 to conduct marketing research as to possible increased daily moorage fees for the O'Connell Lightering facility and their associated market demands.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2017-31
AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA
ADJUSTING THE FY18 BUDGET

BE IT ENACTED by the Assembly of the City and Borough of Sitka, Alaska as follows:

1. **CLASSIFICATION.** This ordinance is not of a permanent nature and is not intended to be a part of the Sitka General Code of the City and Borough of Sitka, Alaska.

2. **SEVERABILITY.** If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and application thereof to any person and circumstances shall not be affected thereby.

3. **PURPOSE.** The purpose of this ordinance is to adjust the FY18 budgets for known changes.

4. **ENACTMENT.** The Assembly of the City and Borough of Sitka hereby adjusts the FY18 budget for known changes. In accordance with Section 11.10(a) of the Charter of the City and Borough of Sitka, Alaska, the budget for the fiscal period beginning July 1, 2017 and ending June 30, 2018 is hereby adjusted as follows:

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|--|
| |
| <u>FISCAL YEAR 2018 EXPENDITURE BUDGETS</u> |
| <u>CAPITAL PROJECTS</u> |
| |
| Fund 750 – O’Connell Lightering Facility Repair Project: Administration is requesting a supplemental appropriation in the amount of \$280,000 in which \$270,000 will be to repair the pilings at the O’Connell Lightering Facility and \$10,000 will be to conduct marketing research for possible increased daily moorage fees for the O’Connell Lightering Facility and their associated market demands. These funds will come from the unrestricted balance of the Harbor Fund. |
| |

EXPLANATION

Necessary revisions in the FY 2018 budget were identified. These changes involve the increase of expenditure accounts and causes decreased cash flows to the fund balance of various funds. A short explanation of each budget revision is included.

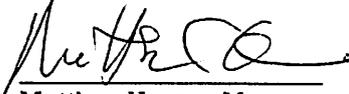
5. **EFFECTIVE DATE.** This ordinance shall become effective on the day after the date of its passage.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 12th Day of September, 2017.

ATTEST:



Sara Peterson, CMC
Municipal Clerk



Matthew Hunter, Mayor

1st reading 8/22/17
2nd reading 9/12/17

F ORD 17-31 Adjusting the FY18 Budget (*O'Connell Lightering Facility Repair Project*)



Harbormaster, Stan Eliason, stated an unexpected wind event had damaged the O'Connell Lightering Facility. It had been determined the Facility was unable to safely accommodate yachts and large vessels over 40 feet in length. He believed the Facility, once repaired, had significant revenue potential citing it was a popular docking site for yachts. Deputy Harbormaster, Chuck Hackett, stated current charges were approximately \$1,000 per night. Outside sources had suggested the Facility should charge more, possibly between \$3,000 and \$5,000 a day. With a portion of the budget appropriation, Eliason and Hackett planned to conduct marketing research to determine demand and moorage fees. Eliason added the Facility would pay for itself and be a revenue stream for the Harbor Department. Dan Tadic, Municipal Engineer, relayed the repair barge planned to be used for construction of the Gary Paxton Industrial Park dock this fall could be used to repair the Lightering Facility, saving the City money.

Knox feared, if a decision was delayed, repair costs would increase and potential revenue would be lost. Eisenbeisz and Potrzuski expressed a desire for further analysis and marketing.

A motion was made by Bean that this Ordinance be APPROVED on FIRST READING. The motion PASSED by the following vote.

Yes: 5 - Swanson, Eisenbeisz, Potrzuski, Knox, and Bean

Absent: 2 - Guevin, and Hunter

Additional New Business Items

G 17-146 Approve a lease amendment between the City and Borough of Sitka and SECON, Inc. for Granite Creek Industrial Site #7

A motion was made by Swanson that this Item be APPROVED. The motion PASSED by the following vote.

Yes: 5 - Swanson, Eisenbeisz, Potrzuski, Knox, and Bean

Absent: 2 - Guevin, and Hunter

H 17-145 Approve a request from Sitka Community Hospital in the amount of \$60,171 for additional paving of the clinic parking lot and pedestrian walkway

Steven Hartford, Director of Operations at Sitka Community Hospital (SCH), summarized there were remaining funds in the FY17 capital account. SCH hoped to use the money for repair and resurfacing of the existing clinic pedestrian access (between the Clinic and the ER entrance of the Hospital) and parking area. The paving work was needed to eliminate hazardous safety conditions for patients, customers and employees. SCH planned to piggyback on the City's paving project of the Emergency Room (ER) entrance driveway.

Knox wondered what phase the project was in as it appeared the project had started and where it fell within the capital plan. Hartford explained demo work had been done while the equipment and crew were available for the ER driveway project. SCH Chief Executive Officer, Rob Allen, added that any capital improvement projects over \$25,000

Recreational Trails Program for repairs to the Sea Lion Cove Trail

This item was APPROVED ON THE CONSENT AGENDA.

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

C 17-154

Appoint Ken Creamer to an unexpired term on the Port and Harbors Commission

Knox thanked former Port and Harbor Commission member Ken Creamer for reapplying.

A motion was made by Knox that this Item be APPROVED. The motion PASSED by the following vote.

Yes: 6 - Swanson, Eisenbeisz, Potrzuski, Hunter, Knox, and Bean

Absent: 1 - Guevin

XI. UNFINISHED BUSINESS:

D ORD 17-29S

Adjusting the FY18 Budget (*Sitka Airport Terminal Improvements Project*)

A motion was made by Potrzuski that this Ordinance be APPROVED on SECOND AND FINAL READING. The motion PASSED by the following vote.

Yes: 4 - Eisenbeisz, Potrzuski, Hunter, and Knox

No: 2 - Swanson, and Bean

Absent: 1 - Guevin

E ORD 17-30

Adjusting the FY17/FY18 Budgets (*Solid Waste Fund, Harbor Fund, Management Information Systems Fund, Public Works - Recreation Department*)

Potrzuski and Bean explained there had been a budgeting error. With regards to the Harbor Fund, Hunter noted there had been a shift in solid waste collection costs from citizens to the Municipality. Bean reminded the cost of transporting garbage off the island was approximately \$2 million each year. To reduce off island transportation costs, he suggested exploring the idea of a modern incinerator at the Gary Paxton Industrial Park site.

A motion was made by Potrzuski that this Ordinance be APPROVED on SECOND AND FINAL READING. The motion PASSED by the following vote.

Yes: 6 - Swanson, Eisenbeisz, Potrzuski, Hunter, Knox, and Bean

Absent: 1 - Guevin

F ORD 17-31

Adjusting the FY18 Budget (*O'Connell Lightering Facility Repair Project*)

Harbormaster, Stan Eliason, stated he was researching yacht rates to help determine what the market could bear. Eliason stated the dock was mobilized May through September. He estimated approximately 90 bookings were possible at a minimum of \$1,000 each booking.



A motion was made by Swanson that this Ordinance be APPROVED on SECOND AND FINAL READING. The motion PASSED by the following vote.

Yes: 6 - Swanson, Eisenbeisz, Potrzuski, Hunter, Knox, and Bean

Absent: 1 - Guevin

XII. NEW BUSINESS:

G 17-155 Approve a 20-year purchase agreement between the City and Borough of Sitka and Eckert Fine Beverages for the export of bulk water

Richard Wein wondered how the branding and Sitka would be protected. Helen Craig reminded of the importance of keeping the industries separated at the Industrial Park - e.g. marijuana, bulk water.

In answer to a question regarding a contract provision to protect Sitka from a drought, Garry White, Director of the Gary Paxton Industrial Park, reminded the Municipal Administrator could temporarily suspend raw water deliveries. While a contract term of 20 years was typical, White noted there were required benchmarks of Eckert Fine Beverages.

A motion was made by Knox that this Item be APPROVED. The motion PASSED by the following vote.

Yes: 6 - Swanson, Eisenbeisz, Potrzuski, Hunter, Knox, and Bean

Absent: 1 - Guevin

H 17-156 Approve a 20-year purchase agreement between the City and Borough of Sitka and Arctic Blue Waters Inc. for the export of bulk water

Richard Wein spoke to the branding and protection of Sitka. Helen Craig thanked the Assembly for their work and keeping water in the dam.

Eisenbeisz expressed caution. He noted the City had been dealing with this company for quite some time and there hadn't been water shipments. Gary Paxton Industrial Park Director, Garry White, reminded bulk water was a tough business. He spoke to the tighter requirements of the contract. Fred Paley of Arctic Blue Waters, stated he had been in the business for over 20 years. He added the company may have been premature when they approached the City in 1995 for a bulk water license. At that time their focus was on China. Paley noted the company had a business partner in Fairbanks and the funding behind them to aggressively market bulk water.

In response to questions of risk to the City, Garry White stated he was confident the contract protected the City. Brian Hanson, Municipal Attorney, reiterated the goal of the contract was to reduce risk. He and White discouraged the Assembly from adding provisions related to branding. White added when water was exported, the City would take their own samples for testing.

A motion was made by Knox that this Item be APPROVED. The motion PASSED by the following vote.

Yes: 5 - Swanson, Potrzuski, Hunter, Knox, and Bean

No: 1 - Eisenbeisz

DRAFT

CITY AND BOROUGH AND SITKA, ALASKA

**Cost Study and Marketing Research Results and
Recommendations For**

O'Connell Bridge Lightering Float

Executive Summary

We are pleased to present the results of our marketing research and cost study results performed on behalf of the City and Borough of Sitka, Alaska for the O'Connell Bridge Lightering Float operated by the Harbor Enterprise Fund.

Background:

The City and Borough of Sitka (CBS) operates and maintains the O'Connell Bridge Lightering Float where cruise ship operators can embark and disembark their passengers and crew that desire to visit Sitka, Alaska when their vessels arrive in port. The O'Connell Bridge facility is also used to berth high end yachts while their passengers and crew also visit and enjoy Sitka, Alaska.

We understand that the O'Connell float was recently damaged in a storm, and further, that CBS is experiencing cost overruns due to unanticipated and expensive environmental permitting costs, as well as expensive placement costs to replace failed piling given bedrock conditions at the facility. We also understand the CBS Assembly's concern that rates at this facility should be set to cover its current and anticipated long run direct cost as well as make a reasonable contribution to the joint and common costs of the Harbor operations at Sitka, Alaska. Therefore, the purpose of this report is two-fold. First, to perform marketing research to identify the services yacht owners and operator's desire from this facility and the price they would be willing to pay for these services. Second, develop a cost study using the results obtained from the marketing research to evaluation if the facility can profitability provide the desired services.

In our kickoff meeting CBS stakeholders confirmed the two-fold purpose of this engagement. Therefore, our work plan to meet the required scope of services was to begin our marketing research by assembling a focus group session designed to identify the desired services yacht owners and operator's desire and the price for these services. The marketing research study is attached as an exhibit to this report, and further, we will summarize the results of that study in this report and how we used the marketing data in our cost study to determine the profitability of this facility over a ten year forecast period.

As will be more fully discussed in the body of this report our marketing research and the cost models indicate the following:

1. Yacht customers are not price sensitive and as long as the services requested are available and offered in a bundled offering that rates can be increased significantly over the current rate level.
2. The O'Connell facility if designed to provide the requesting services can cover its direct cost and make a reasonable contribution to the Harbors direct and common costs.

Marketing Research Methods and Results:

In this section of our report we will only summarize the findings and recommendations of the focus group and how we used the marketing data in our overall cost study model. As noted above the full marketing research report is attached as an exhibit to this report.

The primary purpose of the marketing research was to gain a better understanding of the services demanded by customers that berth their yachts at the O'Connell Bridge Float facility and the price they would be willing to pay for these services. Our marketing research sub-consultant (Craciun Research Group) selected individuals to participate in a telephonic focus group consisting of yacht captains and individuals who make arrangements for yacht clients who use the O'Connell Bridge Float facility.

Craciun Research prepared a Discussion Guide that summarizes what was to be discussed during the focus group session and is attached to their report. The following topics were covered during the session:

1. Attitude about O'Connell Bridge Float Facility and Sitka Harbor
2. Attitude about Sitka
3. Ideal customers
4. Key services and amenities expected from yacht docking facilities
5. Ideal experience for yacht users
6. Make or break price points

During the focus group session we learned that all participants knew about the O'Connell Bridge Float dock and their use varied from regular to rare use of the facility. Participants noted that the facility was very accessible but that accessibility caused security concerns that might be solved with security gates installed with access codes. Further, participants had complaints about wake issue experienced during their visit to the facility.

Participants said they prefer Sitka over other neighboring communities such as Juneau and Ketchikan as these cities seemed to be overrun by cruise ships, but they also commented that more attention could be paid to organized tour options for their passengers and crew.

Key services that were identified during the session included:

1. Privacy and security for yacht users and owners with security gates with access codes
2. Reliable power, with connections on both ends of the dock
3. Reliable WI-Fi connectivity
4. Water connection
5. Scheduled garbage pick-up or dumpster facilities
6. Accessible dock carts

7. Slip reservations

After discussing the service expectations in the yachting experience, the question that arises is at what price do we offer these services, amenities and experiences, and who pays for it? What came out of the discussion was a somewhat surprising assertion that price just really didn't matter and wasn't a part of the everyday conversions for this population. The pricing came down to being able to make a reservation for a slip and providing that reservation and all the related costs and fees for related experiences, services and amenities in a bundled price on a single bill.

Cost Study Analysis Results:

As part of this engagement we proposed to develop a cost model using a Microsoft Excel based application that determines on a 10 year forward-looking basis the revenue requirement/cost of service for the O'Connell Bridge Float facility. This cost model will provide an effective management tool both now and in the future that addresses the following topics:

1. A determination on whether the O'Connell Bridge Float facility, at proposed rates would cover its revenue requirement and percent change in rates needed to achieve the revenue requirement each year over the forecast period.
2. A determination of the contribution margin for this class of service offered by the Harbor.
3. Rate structures grounded in current best cost-of-service and recovery practices that also adequately address the balance of perspectives and needs of the harbor and customers service.

The base line cost study began with the 2018 budgeted costs to operate the entire Harbor enterprise operation. We then developed three scenarios using the cost model as more fully described below.

In each of the three cost model scenarios there are three fundamental factors that are always accounted for in determining the revenue requirement/cost of service for the O'Connell Bridge Float facility. These include:

- a. Rates for the facility will be set so that year-end operating reserves meet best practices of a minimum of 60 and maximum of 90 days of cash operating expenses each year over the forecast period.
- b. Rates for the facility will be set so that year-end capital reserves meet best practices of a minimum of 2% of plant in service over the forecast period.
- c. Rates for the facility will be set to cover 100% of the depreciation expense for the O'Connell float, restroom and float pile replacement.

A. Cost Model Scenario One: In scenario one we assumed that the revenue associated with the O'Connell Bridge facility would remain approximately close to the level recorded on the Harbor's 2017 Statement of Revenue Expenses and

Change in Net Position, or approximately \$34,000. We then use the model to determine the required level of expenses for 2018 in order to maintain operating and capital reserves as recommended above and cover 100% of the depreciation expense of the O'Connell Facility.

As shown in Table 1 below for 2018 \$34,000 in revenue can support an operating expense of \$30,347 and still provide the needed operating and capital reserves that we said above are needed to achieve best practices in setting reserve levels. We then provided this information to the Harbormaster for his assessment of the reasonableness of the expense level to operate the O'Connell Bridge Float facility. The Harbormaster believed he could operate the float at this embedded expense level.

Table 1 also shows that for the remaining forecast years (2019 – 2028) the cost model assumes that operating expenses will increase 2% per year. In order to maintain a positive cash flow and reserves at recommended levels rates must be increased by 1% each year beginning in 2019 through 2023 and then increase to 1.5% from 2024 through 2028. In other words the rate would change from its current \$5.51 per foot per day to \$6.24 at the end of 2028.

SUMMARY OF RESULTS:

Other relevant points to note in this scenario is that the dock piling replacement currently booked at \$560,000 will be paid by the Harbor using its equity and not debt. A review of the unrestricted net position of the Harbor indicates that it is well reserved to cover this cost. Finally, in our opinion and assuming these conservative assumptions for revenues and expenses are achieved the adjustments to rates are well within the zone of what our marketing research indicates is possible for this service.

Table 1: Scenario One – Maintain Revenue Levels & Determine Operating Expense Requirements to Achieve Revenue Requirement.

**City and Borough of Sitka
Harbor Luxury Yacht Services
Summary**



| | FY Ending | | | | | | | | | | |
|-------------------------------|------------|------|------|------|------|------|------|------|------|------|------|
| Capital Funding | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
| Total Capital Projects | \$ 560,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Grants & Developer Donations | - | - | - | - | - | - | - | - | - | - | - |
| Principal Forgiveness | - | - | - | - | - | - | - | - | - | - | - |
| Use of Capital Fund Balance | 560,000 | - | - | - | - | - | - | - | - | - | - |
| ADEC & Other Loans | - | - | - | - | - | - | - | - | - | - | - |
| Total Funding Sources | \$ 560,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

| Revenue Requirements | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|------------|
| Revenues | | | | | | | | | | | |
| Rate Revenues Under Existing Rates | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 |
| Non-Rate Revenues | - | - | - | - | - | - | - | - | - | - | - |
| Non Operating Revenues | - | - | - | - | - | - | - | - | - | - | - |
| Total Revenues | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 |
| Expenses | | | | | | | | | | | |
| Cash Operating Expenses | \$ 28,000 | \$ 28,588 | \$ 29,188 | \$ 29,801 | \$ 30,427 | \$ 31,066 | \$ 31,718 | \$ 32,385 | \$ 33,065 | \$ 33,759 | \$ 34,468 |
| Existing Debt Service | - | - | - | - | - | - | - | - | - | - | - |
| New Debt Service | - | - | - | - | - | - | - | - | - | - | - |
| Rate-Funded CIP | - | - | - | - | - | - | - | - | - | - | - |
| Rate Funded System Reinvestment | 2,347 | 2,347 | 2,347 | 2,347 | 2,347 | 2,347 | 2,347 | 2,347 | 2,347 | 2,347 | 2,347 |
| Additions to Operating Reserve | - | - | - | - | - | - | - | - | - | - | - |
| Total Expenses | \$ 30,347 | \$ 30,935 | \$ 31,535 | \$ 32,148 | \$ 32,774 | \$ 33,413 | \$ 34,065 | \$ 34,731 | \$ 35,411 | \$ 36,106 | \$ 36,815 |
| Maximum Net (Cash or Coverage) | \$ 3,653 | \$ 3,065 | \$ 2,465 | \$ 1,852 | \$ 1,226 | \$ 587 | \$ (65) | \$ (731) | \$ (1,411) | \$ (2,106) | \$ (2,815) |
| Annual Rate Adjustment | 0.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% |
| Cumulative Rate Increase | 0.00% | 1.00% | 2.01% | 3.03% | 4.06% | 5.10% | 6.68% | 8.28% | 9.90% | 11.55% | 13.22% |
| O'Connell Bridge Rate Per Ft. Per Day | \$5.51 | \$5.57 | \$5.62 | \$5.68 | \$5.73 | \$5.79 | \$5.88 | \$5.97 | \$6.06 | \$6.15 | \$6.24 |
| Rate Revenues After Rate Increase | \$ 34,000 | \$ 34,340 | \$ 34,683 | \$ 35,030 | \$ 35,381 | \$ 35,734 | \$ 36,270 | \$ 36,814 | \$ 37,367 | \$ 37,927 | \$ 38,496 |
| Net Cash Flow After Rate Increase | 3,653 | 3,405 | 3,148 | 2,882 | 2,607 | 2,322 | 2,205 | 2,083 | 1,955 | 1,821 | 1,681 |
| Coverage After Rate Increases | n/a | n/a | n/a |

| Fund Balances - Projected Y-E | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Projected Operating Reserves | \$ 4,653 | \$ 7,049 | \$ 7,197 | \$ 7,348 | \$ 7,503 | \$ 7,660 | \$ 7,821 | \$ 7,985 | \$ 8,153 | \$ 8,324 | \$ 8,499 |
| Projected Capital Reserves | 2,347 | 5,703 | 11,050 | 16,128 | 20,927 | 25,437 | 29,829 | 34,094 | 38,228 | 42,225 | 46,079 |
| Projected Debt Service Reserves | - | - | - | - | - | - | - | - | - | - | - |
| Total | \$ 7,000 | \$ 12,752 | \$ 18,247 | \$ 23,476 | \$ 28,429 | \$ 33,098 | \$ 37,649 | \$ 42,079 | \$ 46,381 | \$ 50,549 | \$ 54,578 |
| Operating Reserve Minimum | \$ 4,603 | \$ 4,699 | \$ 4,798 | \$ 4,899 | \$ 5,002 | \$ 5,107 | \$ 5,214 | \$ 5,323 | \$ 5,435 | \$ 5,549 | \$ 5,665 |
| Capital Reserve Minimum | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 |
| Combined Minimum Target Balance | \$ 42,983 | \$ 43,079 | \$ 43,178 | \$ 43,279 | \$ 43,382 | \$ 43,487 | \$ 43,594 | \$ 43,703 | \$ 43,815 | \$ 43,929 | \$ 44,046 |

B. Cost Model Scenario Two: In this scenario we attempted to determine an expense level for 2018 required to operate the O'Connell Bridge Float facility and then used the model to determine the amount of revenues and adjustments in rates needed to achieve the revenue requirement. To estimate 2018 operating expenses of the O'Connell Bridge Float facility we used what is referred to as an Expense over Investment factor sometimes also referred to as an "E/I ratio". This cost estimating technique assumes that there is a relationship between a firms operating expenses and recorded plant in service. Using actual 2016 operating expenses and plant in service of the Harbor as report in the CBS Comprehensive Annual Financial Report (CAFR) we determined this factor to be 6.48%. Using this factor multiplied by the total

plant in service for the O'Connell facility (existing float facility, restroom and dock pile replacement at 2018 WIP amount) results in an "E/I Ratio" of \$142,351.

We then provided the proxy expense estimate to the Harbormaster and he believed that he would not consume this amount of his 2018 budget to operate the facility as it is current provisioned. Therefore, this amount is most likely excessive but is used in our cost study to determine the increase in rates needed to meet operating and capital reserve requirements and pay the depreciation expense on 100% of the O'Connell facility including depreciation associated with the dock pile replacement.

As shown in the Table 2 below rates would have to be increased 100% in 2018 and 95% in 2019 in order to maintain reserve levels and cover operating expenses including depreciation expense resulting in existing rates increasing from \$5.51 per foot per day to \$11.02 and \$21.49 in 2018 and 2019 respectively. However, rate increases significantly decrease ranging from 1.75% to 2% from 2020 through 2028. By 2028 the rate assuming increases used in the model would be \$25.31. Again, we believe the "E/I Ratio" method is estimating expense levels in excess of what is required. However, in order to provide key services demanded by focus group participants such as electric and water may require additional investment and over time this investment pay increase the operating expenses of this facility. However, discussions by the focus group participants indicate that not having to run generators and access to potable water saves them in future maintenance cost on generators, fuel costs and time.

SUMMARY RESULTS:

We believe that the proxy expense level is most likely too excessive, and therefore, the percent increase in rates too high. However, given the marketing information we obtained through the focus group session we believe that rate increases at these levels may not have an impact on demand for customers using the facility for berthing their yachts.

Table 2: Scenario Two - Expense Over Investment (E/I) Ratio Analysis

**City and Borough of Sitka
Harbor Luxury Yacht Services
Summary**



| | FY Ending | | | | | | | | | | |
|--|--------------------|--------------------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
| Capital Funding | | | | | | | | | | | |
| Total Capital Projects | \$ 560,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Grants & Developer Donations | - | - | - | - | - | - | - | - | - | - | - |
| Principal Forgiveness | - | - | - | - | - | - | - | - | - | - | - |
| Use of Capital Fund Balance | 560,000 | - | - | - | - | - | - | - | - | - | - |
| ADEC & Other Loans | - | - | - | - | - | - | - | - | - | - | - |
| Total Funding Sources | \$ 560,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Revenue Requirements | | | | | | | | | | | |
| Revenues | | | | | | | | | | | |
| Rate Revenues Under Existing Rates | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 |
| Non-Rate Revenues | - | - | - | - | - | - | - | - | - | - | - |
| Non Operating Revenues | - | - | - | - | - | - | - | - | - | - | - |
| Total Revenues | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 |
| Expenses | | | | | | | | | | | |
| Cash Operating Expenses | \$ 124,351 | \$ 126,882 | \$ 129,464 | \$ 132,099 | \$ 134,788 | \$ 137,531 | \$ 140,330 | \$ 143,186 | \$ 146,100 | \$ 149,074 | \$ 152,108 |
| Existing Debt Service | - | - | - | - | - | - | - | - | - | - | - |
| New Debt Service | - | - | - | - | - | - | - | - | - | - | - |
| Rate-Funded CIP | - | - | - | - | - | - | - | - | - | - | - |
| Rate Funded System Reinvestment | 2,347 | 2,347 | 2,347 | 2,347 | 2,347 | 2,347 | 2,347 | 2,347 | 2,347 | 2,347 | 2,347 |
| Additions to Operating Reserve | - | - | - | - | - | - | - | - | - | - | - |
| Total Expenses | \$ 126,698 | \$ 129,229 | \$ 131,811 | \$ 134,446 | \$ 137,134 | \$ 139,878 | \$ 142,677 | \$ 145,533 | \$ 148,447 | \$ 151,421 | \$ 154,455 |
| Maximum Net (Cash or Coverage) | \$ (92,698) | \$ (95,229) | \$ (97,811) | \$ (100,446) | \$ (103,134) | \$ (105,878) | \$ (108,677) | \$ (111,533) | \$ (114,447) | \$ (117,421) | \$ (120,455) |
| Annual Rate Adjustment | 100.00% | 95.00% | 1.75% | 1.75% | 1.75% | 1.75% | 1.75% | 1.75% | 2.00% | 2.00% | 2.00% |
| Cumulative Rate Increase | 100.00% | 290.00% | 296.83% | 303.77% | 310.84% | 318.03% | 325.34% | 332.78% | 341.44% | 350.27% | 359.27% |
| O'Connell Bridge Rate Per Ft. Per Day | \$11.02 | \$21.49 | \$21.87 | \$22.25 | \$22.64 | \$23.03 | \$23.44 | \$23.85 | \$24.32 | \$24.81 | \$25.31 |
| Rate Revenues After Rate Increase | \$ 68,000 | \$ 132,600 | \$ 134,921 | \$ 137,282 | \$ 139,684 | \$ 142,129 | \$ 144,616 | \$ 147,147 | \$ 150,089 | \$ 153,091 | \$ 156,153 |
| Net Cash Flow After Rate Increase | (58,698) | 3,371 | 3,110 | 2,836 | 2,550 | 2,251 | 1,939 | 1,614 | 1,642 | 1,671 | 1,698 |
| Coverage After Rate Increases | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Fund Balances - Projected Y-E | | | | | | | | | | | |
| Projected Operating Reserves | \$ 30,662 | \$ 31,286 | \$ 31,923 | \$ 32,572 | \$ 33,235 | \$ 33,912 | \$ 34,602 | \$ 35,306 | \$ 36,025 | \$ 36,758 | \$ 37,506 |
| Projected Capital Reserves | 2,987 | 8,081 | 12,900 | 17,433 | 21,667 | 25,588 | 29,184 | 32,440 | 35,710 | 38,994 | 42,291 |
| Project Debt Reserves | - | - | - | - | - | - | - | - | - | - | - |
| Total | \$ 33,649 | \$ 39,367 | \$ 44,823 | \$ 50,006 | \$ 54,902 | \$ 59,500 | \$ 63,785 | \$ 67,746 | \$ 71,735 | \$ 75,752 | \$ 79,797 |
| Operating Reserve Minimum | \$ 20,441 | \$ 20,857 | \$ 21,282 | \$ 21,715 | \$ 22,157 | \$ 22,608 | \$ 23,068 | \$ 23,537 | \$ 24,017 | \$ 24,505 | \$ 25,004 |
| Capital Reserve Minimum | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 |
| Combined Minimum Target Balance | \$ 58,821 | \$ 59,237 | \$ 59,662 | \$ 60,095 | \$ 60,537 | \$ 60,988 | \$ 61,448 | \$ 61,917 | \$ 62,397 | \$ 62,885 | \$ 63,384 |

C. Cost Model Scenario Three: This scenario is very similar to scenario one above with the exception that we assume we burden the O'Connell Bridge Float facility to pay for dock pile replacement using debt rather than equity.

As shown in the Table 3 below the added debt service cost on top of the operating expenses set in scenario one above results in a need to adjust rates 50% in 2018 and again in 2019 but thereafter rate adjustment of only 1% each year are required in order to achieve operating and capital reserve requirements and cover the depreciation expense. In other words, rates would have to increase from the existing rate of \$5.51 per foot per day to \$8.27 in 2018 and by 2028 the rate would be \$13.56 per foot per day.

SUMMARY RESULTS:

This scenario is probably the most predictable as to operating expense levels

given discussions with CBS Harbor staff. Furthermore, we believe our marketing research would indicate that demand for this service is not impacted at the proposed rate adjustments.

Table 3: Scenario Three - Maintain Revenue Levels & Determine Operating Expense Requirements to Achieve Revenue Requirement but Pay Fund Improvements with Debt

**City and Borough of Sitka
Harbor Luxury Yacht Services
Summary**



| | FY Ending | | | | | | | | | | |
|--|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
| Capital Funding | | | | | | | | | | | |
| Total Capital Projects | \$560,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Grants & Developer Donations | - | - | - | - | - | - | - | - | - | - | - |
| Principal Forgiveness | - | - | - | - | - | - | - | - | - | - | - |
| Use of Capital Fund Balance | 2,347 | - | - | - | - | - | - | - | - | - | - |
| ADEC & Other Loans | 557,653 | - | - | - | - | - | - | - | - | - | - |
| Total Funding Sources | \$560,000 | \$ - |
| Revenue Requirements | | | | | | | | | | | |
| Revenues | | | | | | | | | | | |
| Rate Revenues Under Existing Rates | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 |
| Non-Rate Revenues | - | - | - | - | - | - | - | - | - | - | - |
| Non Operating Revenues | - | - | - | - | - | - | - | - | - | - | - |
| Total Revenues | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 |
| Expenses | | | | | | | | | | | |
| Cash Operating Expenses | \$ 28,000 | \$ 28,588 | \$ 29,188 | \$ 29,801 | \$ 30,427 | \$ 31,066 | \$ 31,718 | \$ 32,385 | \$ 33,065 | \$ 33,759 | \$ 34,468 |
| Existing Debt Service | - | - | - | - | - | - | - | - | - | - | - |
| New Debt Service | - | 44,748 | 44,748 | 44,748 | 44,748 | 44,748 | 44,748 | 44,748 | 44,748 | 44,748 | 44,748 |
| Rate-Funded CIP | - | - | - | - | - | - | - | - | - | - | - |
| Rate Funded System Reinvestment | 2,347 | 2,533 | 2,533 | 2,533 | 2,533 | 2,533 | 2,533 | 2,533 | 2,533 | 2,533 | |
| Additions to Operating Reserve | - | - | - | - | - | - | - | - | - | - | - |
| Total Expenses | \$ 30,347 | \$ 75,869 | \$ 76,469 | \$ 77,082 | \$ 77,708 | \$ 78,347 | \$ 78,999 | \$ 79,665 | \$ 80,346 | \$ 81,040 | \$ 81,749 |
| Maximum Net (Cash or Coverage) | \$ 3,653 | \$(41,869) | \$(42,469) | \$(43,082) | \$(43,708) | \$(44,347) | \$(44,999) | \$(45,665) | \$(46,346) | \$(47,040) | \$(47,749) |
| Annual Rate Adjustment | 50.00% | 50.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% |
| Cumulative Rate Increase | 50.00% | 125.00% | 127.25% | 129.52% | 131.82% | 134.14% | 136.48% | 138.84% | 141.23% | 143.64% | 146.08% |
| O'Connell Bridge Rate Per Ft. Per Day | \$8.27 | \$12.40 | \$12.52 | \$12.65 | \$12.77 | \$12.90 | \$13.03 | \$13.16 | \$13.29 | \$13.42 | \$13.56 |
| Rate Revenues After Rate Increase | \$ 51,000 | \$ 76,500 | \$ 77,265 | \$ 78,038 | \$ 78,818 | \$ 79,606 | \$ 80,402 | \$ 81,206 | \$ 82,018 | \$ 82,839 | \$ 83,667 |
| Net Cash Flow After Rate Increase | 20,653 | 631 | 796 | 955 | 1,110 | 1,259 | 1,403 | 1,541 | 1,673 | 1,799 | 1,918 |
| Coverage After Rate Increases | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Fund Balances - Projected Y-E | | | | | | | | | | | |
| Projected Operating Reserves | \$ 6,904 | \$ 7,049 | \$ 7,197 | \$ 7,348 | \$ 7,503 | \$ 7,660 | \$ 7,821 | \$ 7,985 | \$ 8,153 | \$ 8,324 | \$ 8,499 |
| Projected Capital Reserve | 14,749 | 17,769 | 20,950 | 24,287 | 27,776 | 31,411 | 35,187 | 39,097 | 43,135 | 47,296 | 51,573 |
| Projected Debt Reserve | - | - | - | - | - | - | - | - | - | - | - |
| Total | \$ 21,653 | \$ 24,818 | \$ 28,147 | \$ 31,636 | \$ 35,279 | \$ 39,072 | \$ 43,008 | \$ 47,082 | \$ 51,288 | \$ 55,620 | \$ 60,072 |
| Minimum Operating Reserve | \$ 4,603 | \$ 4,699 | \$ 4,798 | \$ 4,899 | \$ 5,002 | \$ 5,107 | \$ 5,214 | \$ 5,323 | \$ 5,435 | \$ 5,549 | \$ 5,666 |
| Minimum Capital Reserve | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 |
| Combined Minimum Target Balance | \$ 42,983 | \$ 43,079 | \$ 43,178 | \$ 43,279 | \$ 43,382 | \$ 43,487 | \$ 43,594 | \$ 43,703 | \$ 43,815 | \$ 43,929 | \$ 44,046 |

Conclusion

Our marketing research leads us to conclude that yacht customers are not price sensitive for berthing services. Instead, they are sensitive to location and services as described in this report using a billing method that bundles all services into a single rate. We have taken this marketing information and develop a cost model and ran three separate scenarios through it in an attempt to determine if the O'Connell Bridge Float facility can cover its direct cost and make a reasonable contribution to the joint and common cost of the Harbor Enterprise fund of CBS. We believe that there is a reasonably high probability that the facility can be operated profitably.

Exhibit A – Market Research Study



CITY AND BOROUGH AND SITKA, ALASKA

**Cost Study and Marketing Research Results and
Recommendations For**

O'Connell Bridge Lightering Float

**By Parrish Blessing and Associates
1415 P Street
Anchorage, Alaska 99501**

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Executive Summary

We are pleased to present the results of our marketing research and cost study results performed on behalf of the City and Borough of Sitka, Alaska for the O'Connell Bridge Lightering Float operated by the Harbor Enterprise Fund.

Background:

The City and Borough of Sitka (CBS) operates and maintains the O'Connell Bridge Lightering Float where cruise ship operators can embark and disembark their passengers and crew that desire to visit Sitka, Alaska when their vessels arrive in port. The O'Connell Bridge facility is also used to berth high end yachts while their passengers and crew also visit and enjoy Sitka, Alaska.

We understand that the O'Connell float was recently damaged in a storm, and further, that CBS is experiencing cost overruns due to unanticipated and expensive environmental permitting costs, as well as expensive placement costs to replace failed piling given bedrock conditions at the facility. We also understand the CBS Assembly's concern that rates at this facility should be set to cover its current and anticipated long run direct cost as well as make a reasonable contribution to the joint and common costs of the Harbor operations at Sitka, Alaska. Therefore, the purpose of this report is two-fold. First, to perform marketing research to identify the services yacht owners and operator's desire from this facility and the price they would be willing to pay for these services. Second, develop a cost study using the results obtained from the marketing research to evaluation if the facility can profitability provide the desired services.

In our kickoff meeting CBS stakeholders confirmed the two-fold purpose of this engagement. Therefore, our work plan to meet the required scope of services was to begin our marketing research by assembling a focus group session designed to identify the desired services yacht owners and operator's desire and the price for these services. The marketing research study is attached as an exhibit to this report, and further, we will summarize the results of that study in this report and how we used the marketing data in our cost study to determine the profitability of this facility over a ten year forecast period.

As will be more fully discussed in the body of this report our marketing research and the cost models indicate the following:

1. Yacht customers are not price sensitive and as long as the services requested are available and offered in a bundled offering that rates can be increased significantly over the current rate level.
2. The O'Connell facility if designed to provide the requesting services can cover its direct cost and make a reasonable contribution to the Harbors direct and common costs.

Marketing Research Methods and Results:

In this section of our report we will only summarize the findings and recommendations of the focus group and how we used the marketing data in our overall cost study model. As noted above the full marketing research report is attached as an exhibit to this report.

The primary purpose of the marketing research was to gain a better understanding of the services demanded by customers that berth their yachts at the O'Connell Bridge Float facility and the price they would be willing to pay for these services. Our marketing research sub-consultant (Craciun Research Group) selected individuals to participate in a telephonic focus group consisting of yacht captains and individuals who make arrangements for yacht clients who use the O'Connell Bridge Float facility.

Craciun Research prepared a Discussion Guide that summarizes what was to be discussed during the focus group session and is attached to their report. The following topics were covered during the session:

1. Attitude about O'Connell Bridge Float Facility and Sitka Harbor
2. Attitude about Sitka
3. Ideal customers
4. Key services and amenities expected from yacht docking facilities
5. Ideal experience for yacht users
6. Make or break price points

During the focus group session we learned that all participants knew about the O'Connell Bridge Float dock and their use varied from regular to rare use of the facility. Participants noted that the facility was very accessible but that accessibility caused security concerns that might be solved with security gates installed with access codes. Further, participants had complaints about wake issue experienced during their visit to the facility.

Participants said they prefer Sitka over other neighboring communities such as Juneau and Ketchikan as these cities seemed to be overrun by cruise ships, but they also commented that more attention could be paid to organized tour options for their passengers and crew.

Key services that were identified during the session included:

1. Privacy and security for yacht users and owners with security gates with access codes
2. Reliable power, with connections on both ends of the dock
3. Reliable WI-Fi connectivity
4. Water connection
5. Scheduled garbage pick-up or dumpster facilities
6. Accessible dock carts

7. Slip reservations

After discussing the service expectations in the yachting experience, the question that arises is at what price do we offer these services, amenities and experiences, and who pays for it? What came out of the discussion was a somewhat surprising assertion that price just really didn't matter and wasn't a part of the everyday conversions for this population. The pricing came down to being able to make a reservation for a slip and providing that reservation and all the related costs and fees for related experiences, services and amenities in a bundled price on a single bill.

Cost Study Analysis Results:

As part of this engagement we proposed to develop a cost model using a Microsoft Excel based application that determines on a 10 year forward-looking basis the revenue requirement/cost of service for the O'Connell Bridge Float facility. This cost model will provide an effective management tool both now and in the future that addresses the following topics:

1. A determination on whether the O'Connell Bridge Float facility, at proposed rates would cover its revenue requirement and percent change in rates needed to achieve the revenue requirement each year over the forecast period.
2. A determination of the contribution margin for this class of service offered by the Harbor.
3. Rate structures grounded in current best cost-of-service and recovery practices that also adequately address the balance of perspectives and needs of the harbor and customers service.

The base line cost study began with the 2018 budgeted costs to operate the entire Harbor enterprise operation. We then developed three scenarios using the cost model as more fully described below.

In each of the three cost model scenarios there are three fundamental factors that are always accounted for in determining the revenue requirement/cost of service for the O'Connell Bridge Float facility. These include:

- a. Rates for the facility will be set so that year-end operating reserves meet best practices of a minimum of 60 and maximum of 90 days of cash operating expenses each year over the forecast period.
- b. Rates for the facility will be set so that year-end capital reserves meet best practices of a minimum of 2% of plant in service over the forecast period.
- c. Rates for the facility will be set to cover 100% of the depreciation expense for the O'Connell float, restroom and float pile replacement.

A. Cost Model Scenario One: In scenario one we assumed that the revenue associated with the O'Connell Bridge facility would remain approximately close to the level recorded on the Harbor's 2017 Statement of Revenue Expenses and

Change in Net Position, or approximately \$34,000. We then use the model to determine the required level of expenses for 2018 in order to maintain operating and capital reserves as recommended above and cover 100% of the depreciation expense of the O'Connell Facility.

As shown in Table 1 below for 2018 \$34,000 in revenue can support an operating expense of \$30,347 and still provide the needed operating and capital reserves that we said above are needed to achieve best practices in setting reserve levels. We then provided this information to the Harbormaster for his assessment of the reasonableness of the expense level to operate the O'Connell Bridge Float facility. The Harbormaster believed he could operate the float at this embedded expense level.

Table 1 also shows that for the remaining forecast years (2019 – 2028) the cost model assumes that operating expenses will increase 2% per year. In order to maintain a positive cash flow and reserves at recommended levels rates must be increased by 1% each year beginning in 2019 through 2023 and then increase to 1.5% from 2024 through 2028. In other words the rate would change from its current \$5.51 per foot per day to \$6.24 at the end of 2028.

SUMMARY OF RESULTS:

Other relevant points to note in this scenario is that the dock piling replacement currently booked at \$560,000 will be paid by the Harbor using its equity and not debt. A review of the unrestricted net position of the Harbor indicates that it is well reserved to cover this cost. Finally, in our opinion and assuming these conservative assumptions for revenues and expenses are achieved the adjustments to rates are well within the zone of what our marketing research indicates is possible for this service.

Table 1: Scenario One – Maintain Revenue Levels & Determine Operating Expense Requirements to Achieve Revenue Requirement.

**City and Borough of Sitka
Harbor Luxury Yacht Services
Summary**



| | FY Ending | | | | | | | | | | |
|--|------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|------------|
| Capital Funding | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
| Total Capital Projects | \$ 560,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Grants & Developer Donations | - | - | - | - | - | - | - | - | - | - | - |
| Principal Forgiveness | - | - | - | - | - | - | - | - | - | - | - |
| Use of Capital Fund Balance | 560,000 | - | - | - | - | - | - | - | - | - | - |
| ADEC & Other Loans | - | - | - | - | - | - | - | - | - | - | - |
| Total Funding Sources | \$ 560,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Revenue Requirements | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
| Revenues | | | | | | | | | | | |
| Rate Revenues Under Existing Rates | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 |
| Non-Rate Revenues | - | - | - | - | - | - | - | - | - | - | - |
| Non Operating Revenues | - | - | - | - | - | - | - | - | - | - | - |
| Total Revenues | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 |
| Expenses | | | | | | | | | | | |
| Cash Operating Expenses | \$ 28,000 | \$ 28,588 | \$ 29,188 | \$ 29,801 | \$ 30,427 | \$ 31,066 | \$ 31,718 | \$ 32,385 | \$ 33,065 | \$ 33,759 | \$ 34,468 |
| Existing Debt Service | - | - | - | - | - | - | - | - | - | - | - |
| New Debt Service | - | - | - | - | - | - | - | - | - | - | - |
| Rate-Funded CIP | - | - | - | - | - | - | - | - | - | - | - |
| Rate Funded System Reinvestment | 2,347 | 2,347 | 2,347 | 2,347 | 2,347 | 2,347 | 2,347 | 2,347 | 2,347 | 2,347 | 2,347 |
| Additions to Operating Reserve | - | - | - | - | - | - | - | - | - | - | - |
| Total Expenses | \$ 30,347 | \$ 30,935 | \$ 31,535 | \$ 32,148 | \$ 32,774 | \$ 33,413 | \$ 34,065 | \$ 34,731 | \$ 35,411 | \$ 36,106 | \$ 36,815 |
| Maximum Net (Cash or Coverage) | \$ 3,653 | \$ 3,065 | \$ 2,465 | \$ 1,852 | \$ 1,226 | \$ 587 | \$ (65) | \$ (731) | \$ (1,411) | \$ (2,106) | \$ (2,815) |
| Annual Rate Adjustment | 0.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% |
| Cumulative Rate Increase | 0.00% | 1.00% | 2.01% | 3.03% | 4.06% | 5.10% | 6.68% | 8.28% | 9.90% | 11.55% | 13.22% |
| O'Connell Bridge Rate Per Ft. Per Day | \$5.51 | \$5.57 | \$5.62 | \$5.68 | \$5.73 | \$5.79 | \$5.88 | \$5.97 | \$6.06 | \$6.15 | \$6.24 |
| Rate Revenues After Rate Increase | \$ 34,000 | \$ 34,340 | \$ 34,683 | \$ 35,030 | \$ 35,381 | \$ 35,734 | \$ 36,270 | \$ 36,814 | \$ 37,367 | \$ 37,927 | \$ 38,496 |
| Net Cash Flow After Rate Increase | 3,653 | 3,405 | 3,148 | 2,882 | 2,607 | 2,322 | 2,205 | 2,083 | 1,955 | 1,821 | 1,681 |
| Coverage After Rate Increases | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Fund Balances - Projected Y-E | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
| Projected Operating Reserves | \$ 4,653 | \$ 7,049 | \$ 7,197 | \$ 7,348 | \$ 7,503 | \$ 7,660 | \$ 7,821 | \$ 7,985 | \$ 8,153 | \$ 8,324 | \$ 8,499 |
| Projected Capital Reserves | 2,347 | 5,703 | 11,050 | 16,128 | 20,927 | 25,437 | 29,829 | 34,094 | 38,228 | 42,225 | 46,079 |
| Projected Debt Service Reserves | - | - | - | - | - | - | - | - | - | - | - |
| Total | \$ 7,000 | \$ 12,752 | \$ 18,247 | \$ 23,476 | \$ 28,429 | \$ 33,098 | \$ 37,649 | \$ 42,079 | \$ 46,381 | \$ 50,549 | \$ 54,578 |
| Operating Reserve Minimum | \$ 4,603 | \$ 4,699 | \$ 4,798 | \$ 4,899 | \$ 5,002 | \$ 5,107 | \$ 5,214 | \$ 5,323 | \$ 5,435 | \$ 5,549 | \$ 5,666 |
| Capital Reserve Minimum | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 |
| Combined Minimum Target Balance | \$ 42,983 | \$ 43,079 | \$ 43,178 | \$ 43,279 | \$ 43,382 | \$ 43,487 | \$ 43,594 | \$ 43,703 | \$ 43,815 | \$ 43,929 | \$ 44,046 |

B. Cost Model Scenario Two: In this scenario we attempted to determine an expense level for 2018 required to operate the O'Connell Bridge Float facility and then used the model to determine the amount of revenues and adjustments in rates needed to achieve the revenue requirement. To estimate 2018 operating expenses of the O'Connell Bridge Float facility we used what is referred to as an Expense over Investment factor sometimes also referred to as an "E/I ratio". This cost estimating technique assumes that there is a relationship between a firms operating expenses and recorded plant in service. Using actual 2016 operating expenses and plant in service of the Harbor as report in the CBS Comprehensive Annual Financial Report (CAFR) we determined this factor to be 6.48%. Using this factor multiplied by the total

plant in service for the O'Connell facility (existing float facility, restroom and dock pile replacement at 2018 WIP amount) results in an "E/I Ratio" of \$142,351.

We then provided the proxy expense estimate to the Harbormaster and he believed that he would not consume this amount of his 2018 budget to operate the facility as it is current provisioned. Therefore, this amount is most likely excessive but is used in our cost study to determine the increase in rates needed to meet operating and capital reserve requirements and pay the depreciation expense on 100% of the O'Connell facility including depreciation associated with the dock pile replacement.

As shown in the Table 2 below rates would have to be increased 100% in 2018 and 95% in 2019 in order to maintain reserve levels and cover operating expenses including depreciation expense resulting in existing rates increasing from \$5.51 per foot per day to \$11.02 and \$21.49 in 2018 and 2019 respectively. However, rate increases significantly decrease ranging from 1.75% to 2% from 2020 through 2028. By 2028 the rate assuming increases used in the model would be \$25.31. Again, we believe the "E/I Ratio" method is estimating expense levels in excess of what is required. However, in order to provide key services demanded by focus group participants such as electric and water may require additional investment and over time this investment may increase the operating expenses of this facility. However, discussions by the focus group participants indicate that not having to run generators and access to potable water saves them in future maintenance cost on generators, fuel costs and time.

SUMMARY RESULTS:

We believe that the proxy expense level is most likely too excessive, and therefore, the percent increase in rates too high. However, given the marketing information we obtained through the focus group session we believe that rate increases at these levels may not have an impact on demand for customers using the facility for berthing their yachts.

Table 2: Scenario Two - Expense Over Investment (E/I) Ratio Analysis

**City and Borough of Sitka
Harbor Luxury Yacht Services
Summary**



| | FY Ending | | | | | | | | | | |
|--|--------------------|--------------------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
| Capital Funding | | | | | | | | | | | |
| Total Capital Projects | \$ 560,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Grants & Developer Donations | - | - | - | - | - | - | - | - | - | - | - |
| Principal Forgiveness | - | - | - | - | - | - | - | - | - | - | - |
| Use of Capital Fund Balance | 560,000 | - | - | - | - | - | - | - | - | - | - |
| ADEC & Other Loans | - | - | - | - | - | - | - | - | - | - | - |
| Total Funding Sources | \$ 560,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Revenue Requirements | | | | | | | | | | | |
| Revenues | | | | | | | | | | | |
| Rate Revenues Under Existing Rates | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 |
| Non-Rate Revenues | - | - | - | - | - | - | - | - | - | - | - |
| Non Operating Revenues | - | - | - | - | - | - | - | - | - | - | - |
| Total Revenues | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 |
| Expenses | | | | | | | | | | | |
| Cash Operating Expenses | \$ 124,351 | \$ 126,882 | \$ 129,464 | \$ 132,099 | \$ 134,788 | \$ 137,531 | \$ 140,330 | \$ 143,186 | \$ 146,100 | \$ 149,074 | \$ 152,108 |
| Existing Debt Service | - | - | - | - | - | - | - | - | - | - | - |
| New Debt Service | - | - | - | - | - | - | - | - | - | - | - |
| Rate-Funded CIP | - | - | - | - | - | - | - | - | - | - | - |
| Rate Funded System Reinvestment | 2,347 | 2,347 | 2,347 | 2,347 | 2,347 | 2,347 | 2,347 | 2,347 | 2,347 | 2,347 | 2,347 |
| Additions to Operating Reserve | - | - | - | - | - | - | - | - | - | - | - |
| Total Expenses | \$ 126,698 | \$ 129,229 | \$ 131,811 | \$ 134,446 | \$ 137,134 | \$ 139,878 | \$ 142,677 | \$ 145,533 | \$ 148,447 | \$ 151,421 | \$ 154,455 |
| Maximum Net (Cash or Coverage) | \$ (92,698) | \$ (95,229) | \$ (97,811) | \$ (100,446) | \$ (103,134) | \$ (105,878) | \$ (108,677) | \$ (111,533) | \$ (114,447) | \$ (117,421) | \$ (120,455) |
| Annual Rate Adjustment | 100.00% | 95.00% | 1.75% | 1.75% | 1.75% | 1.75% | 1.75% | 1.75% | 2.00% | 2.00% | 2.00% |
| Cumulative Rate Increase | 100.00% | 290.00% | 296.83% | 303.77% | 310.84% | 318.03% | 325.34% | 332.78% | 341.44% | 350.27% | 359.27% |
| O'Connell Bridge Rate Per Ft. Per Day | \$11.02 | \$21.49 | \$21.87 | \$22.25 | \$22.64 | \$23.03 | \$23.44 | \$23.85 | \$24.32 | \$24.81 | \$25.31 |
| Rate Revenues After Rate Increase | \$ 68,000 | \$ 132,600 | \$ 134,921 | \$ 137,282 | \$ 139,684 | \$ 142,129 | \$ 144,616 | \$ 147,147 | \$ 150,089 | \$ 153,091 | \$ 156,153 |
| Net Cash Flow After Rate Increase | (58,698) | 3,371 | 3,110 | 2,836 | 2,550 | 2,251 | 1,939 | 1,614 | 1,642 | 1,671 | 1,698 |
| Coverage After Rate Increases | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Fund Balances - Projected Y-E | | | | | | | | | | | |
| Projected Operating Reserves | \$ 30,662 | \$ 31,286 | \$ 31,923 | \$ 32,572 | \$ 33,235 | \$ 33,912 | \$ 34,602 | \$ 35,306 | \$ 36,025 | \$ 36,758 | \$ 37,506 |
| Projected Capital Reserves | 2,987 | 8,081 | 12,900 | 17,433 | 21,667 | 25,588 | 29,184 | 32,440 | 35,710 | 38,994 | 42,291 |
| Projct Debt Reserves | - | - | - | - | - | - | - | - | - | - | - |
| Total | \$ 33,649 | \$ 39,367 | \$ 44,823 | \$ 50,006 | \$ 54,902 | \$ 59,500 | \$ 63,785 | \$ 67,746 | \$ 71,735 | \$ 75,752 | \$ 79,797 |
| Operating Reserve Minimum | \$ 20,441 | \$ 20,857 | \$ 21,282 | \$ 21,715 | \$ 22,157 | \$ 22,608 | \$ 23,068 | \$ 23,537 | \$ 24,017 | \$ 24,505 | \$ 25,004 |
| Capital Reserve Minimum | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 |
| Combined Minimum Target Balance | \$ 58,821 | \$ 59,237 | \$ 59,662 | \$ 60,095 | \$ 60,537 | \$ 60,988 | \$ 61,448 | \$ 61,917 | \$ 62,397 | \$ 62,885 | \$ 63,384 |

C. Cost Model Scenario Three: This scenario is very similar to scenario one above with the exception that we assume we burden the O'Connell Bridge Float facility to pay for dock pile replacement using debt rather than equity.

As shown in the Table 3 below the added debt service cost on top of the operating expenses set in scenario one above results in a need to adjust rates 50% in 2018 and again in 2019 but thereafter rate adjustment of only 1% each year are required in order to achieve operating and capital reserve requirements and cover the depreciation expense. In other words, rates would have to increase from the existing rate of \$5.51 per foot per day to \$8.27 in 2018 and by 2028 the rate would be \$13.56 per foot per day.

SUMMARY RESULTS:

This scenario is probably the most predictable as to operating expense levels

given discussions with CBS Harbor staff. Furthermore, we believe our marketing research would indicate that demand for this service is not impacted at the proposed rate adjustments.

Table 3: Scenario Three - Maintain Revenue Levels & Determine Operating Expense Requirements to Achieve Revenue Requirement but Pay Fund Improvements with Debt

**City and Borough of Sitka
Harbor Luxury Yacht Services
Summary**



| | FY Ending | | | | | | | | | | |
|--|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
| Capital Funding | | | | | | | | | | | |
| Total Capital Projects | \$560,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Grants & Developer Donations | - | - | - | - | - | - | - | - | - | - | - |
| Principal Forgiveness | - | - | - | - | - | - | - | - | - | - | - |
| Use of Capital Fund Balance | 2,347 | - | - | - | - | - | - | - | - | - | - |
| ADEC & Other Loans | 557,653 | - | - | - | - | - | - | - | - | - | - |
| Total Funding Sources | \$560,000 | \$ - |
| Revenue Requirements | | | | | | | | | | | |
| Revenues | | | | | | | | | | | |
| Rate Revenues Under Existing Rates | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 |
| Non-Rate Revenues | - | - | - | - | - | - | - | - | - | - | - |
| Non Operating Revenues | - | - | - | - | - | - | - | - | - | - | - |
| Total Revenues | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 |
| Expenses | | | | | | | | | | | |
| Cash Operating Expenses | \$ 28,000 | \$ 28,588 | \$ 29,188 | \$ 29,801 | \$ 30,427 | \$ 31,066 | \$ 31,718 | \$ 32,385 | \$ 33,065 | \$ 33,759 | \$ 34,468 |
| Existing Debt Service | - | - | - | - | - | - | - | - | - | - | - |
| New Debt Service | - | 44,748 | 44,748 | 44,748 | 44,748 | 44,748 | 44,748 | 44,748 | 44,748 | 44,748 | 44,748 |
| Rate-Funded CIP | - | - | - | - | - | - | - | - | - | - | - |
| Rate Funded System Reinvestment | 2,347 | 2,533 | 2,533 | 2,533 | 2,533 | 2,533 | 2,533 | 2,533 | 2,533 | 2,533 | 2,533 |
| Additions to Operating Reserve | - | - | - | - | - | - | - | - | - | - | - |
| Total Expenses | \$ 30,347 | \$ 75,869 | \$ 76,469 | \$ 77,082 | \$ 77,708 | \$ 78,347 | \$ 78,999 | \$ 79,665 | \$ 80,346 | \$ 81,040 | \$ 81,749 |
| Maximum Net (Cash or Coverage) | \$ 3,653 | \$(41,869) | \$(42,469) | \$(43,082) | \$(43,708) | \$(44,347) | \$(44,999) | \$(45,665) | \$(46,346) | \$(47,040) | \$(47,749) |
| Annual Rate Adjustment | 50.00% | 50.00% | 1.00% |
| Cumulative Rate Increase | 50.00% | 125.00% | 127.25% | 129.52% | 131.82% | 134.14% | 136.48% | 138.84% | 141.23% | 143.64% | 146.08% |
| O'Connell Bridge Rate Per Ft. Per Day | \$8.27 | \$12.40 | \$12.52 | \$12.65 | \$12.77 | \$12.90 | \$13.03 | \$13.16 | \$13.29 | \$13.42 | \$13.56 |
| Rate Revenues After Rate Increase | \$ 51,000 | \$ 76,500 | \$ 77,265 | \$ 78,038 | \$ 78,818 | \$ 79,606 | \$ 80,402 | \$ 81,206 | \$ 82,018 | \$ 82,839 | \$ 83,667 |
| Net Cash Flow After Rate Increase | 20,653 | 631 | 796 | 955 | 1,110 | 1,259 | 1,403 | 1,541 | 1,673 | 1,799 | 1,918 |
| Coverage After Rate Increases | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Fund Balances - Projected Y-E | | | | | | | | | | | |
| Projected Operating Reserves | \$ 6,904 | \$ 7,049 | \$ 7,197 | \$ 7,348 | \$ 7,503 | \$ 7,660 | \$ 7,821 | \$ 7,985 | \$ 8,153 | \$ 8,324 | \$ 8,499 |
| Projected Capital Reserve | 14,749 | 17,769 | 20,950 | 24,287 | 27,776 | 31,411 | 35,187 | 39,097 | 43,135 | 47,296 | 51,573 |
| Projected Debt Reserve | - | - | - | - | - | - | - | - | - | - | - |
| Total | \$ 21,653 | \$ 24,818 | \$ 28,147 | \$ 31,636 | \$ 35,279 | \$ 39,072 | \$ 43,008 | \$ 47,082 | \$ 51,288 | \$ 55,620 | \$ 60,072 |
| Minimum Operating Reserve | \$ 4,603 | \$ 4,699 | \$ 4,798 | \$ 4,899 | \$ 5,002 | \$ 5,107 | \$ 5,214 | \$ 5,323 | \$ 5,435 | \$ 5,549 | \$ 5,666 |
| Minimum Capital Reserve | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 |
| Combined Minimum Target Balance | \$ 42,983 | \$ 43,079 | \$ 43,178 | \$ 43,279 | \$ 43,382 | \$ 43,487 | \$ 43,594 | \$ 43,703 | \$ 43,815 | \$ 43,929 | \$ 44,046 |

Conclusion

Our marketing research leads us to conclude that yacht customers are not price sensitive for berthing services. Instead, they are sensitive to location and services as described in this report using a billing method that bundles all services into a single rate. We have taken this marketing information and develop a cost model and ran three separate scenarios through it in an attempt to determine if the O'Connell Bridge Float facility can cover its direct cost and make a reasonable contribution to the joint and common cost of the Harbor Enterprise fund of CBS. We believe that there is a reasonably high probability that the facility can be operated profitably.

Exhibit A – Market Research Study

CRACIUN RESEARCH GROUP

City and Borough of Sitka



MARKET RESEARCH FOR THE MODERN WORLD

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Executive Summary

William (Bill) Wilks, Principal-Managing Partner for Alaska Utility Operations with Parrish, Blessing and Associates, contracted with Craciun Research Group (Craciun) on behalf of the City and Borough of Sitka (Sitka), to gain a better understanding on how to make Sitka the best docking Port in Southeast Alaska. Sitka is currently repairing and renovating the O'Connell Bridge Float facility to better accommodate yachts that dock in Sitka Harbor. As part of this effort, Sitka is seeking to understand the services and facility amenities yacht users of the O'Connell Bridge facility would prefer or require, and the related price points. Mr. Wilks requested the assistance of Jean Craciun, Owner and CEO of Craciun Research Group, to moderate a telephonic focus group to better explore these services from the perspective of O'Connell Bridge facility users.

Individuals selected to participate in the telephonic focus group were yacht captains and individuals who make arrangements for yacht clients who use the O'Connell Bridge facility. Only one focus group of homogenous individuals was held. Six individuals were invited and agreed to participate. Due to extenuating circumstances, such as being out of cell-phone range, two additional individuals were subsequently unable to participate. A third person that assists yacht captains with arrangements for yacht clients was able to attend only half of the focus group session.

DISCUSSION WITH YACHT CAPTAINS and OTHERS

Attitude About O'Connell Bridge Facility and Sitka Harbor

- All knew about the O'Connell dock; use varies from regular to rarely used
- Wake issues affect larger yachts on the docks
- It's very accessible, but that accessibility causes security concerns

Attitude About Sitka

- Yacht clients like Sitka; it is the one harbor town in Alaska they enjoy mooring at
- Not as over-run with cruise ships as Juneau and Ketchikan
- First impressions are good, but more attention could be paid to the details
- Organized tour options not as good as it used to be

Key Services and Amenities Expected from Yacht Docking Facilities

- Security and limited access; keep the public from wandering around the yachts
- Adequate lighting on docks and ramps
- Privacy & security for yacht users and owners
- Designated parking for yachts
- Reliable power, with connections on both ends of the dock

- Reliable Wi-Fi connectivity
- Water connection
- Scheduled garbage pick-up or dumpster facilities
- Accessible dock carts
- Control the wake

Ideal Experience for Yacht Users

- Anonymity; they want to blend in with the crowd or have a private experience
- Yacht crew and owner amenities attract them to the destination
- Up-to-date local information readily available; fishing reports etc.
- Last-minute planning or changes easily accommodated
- Concierge service would exceed expectations and be a bonus
- Slip reservations
- Wi-Fi accessibility, with an “all-user” log-in
- Exclusivity is important so institute access cards

FINAL ADVICE FOR SITKA FROM FOCUS GROUP PARTICIPANTS

- Provide increased security with controlled access
- Fix the wake problem so that the larger boats can comfortably and safely dock at the O’Connell Bridge facility
- Amenities such as Wi-Fi connectivity, power connectivity and water connectivity at the dock makes it easier for the yachts to stay berthed for longer periods of time; the port should provide these, but yacht users would be willing to pay for them as part of their moorage fees
- Provide perks for the crew and owners, such as parking and complimentary or temporary gym memberships while they are in port
- Put mechanisms in place to help ensure the privacy and anonymity of yacht guests
- Provide information packets to captains immediately upon mooring that include features such as dock access (i.e., a access key card); local services and where to find them; up-to-date fishing, charter tours and adventure tours information; availability of private boats, private jets and similar amenities; local sights and how to get there; current reservations made on behalf of the guest for dinner, shows or similar
- Provide one Wi-Fi log-in for one price (as part of the yacht services package) for the captain, crew and guest(s)
- To the extent possible, have one moorage bill that includes all services, not multiple bills for different services

Background & Research Methods

Background

The primary purpose of the study by Craciun Research was to gain a better understanding of how the City and Borough of Sitka (Sitka) can make its harbor, specifically the O'Connell Bridge Float facility, the best docking Port in Southeast Alaska. Sitka is currently repairing and renovating the O'Connell Bridge Float facility to better accommodate yachts that dock in Sitka Harbor. As part of this effort, Sitka is seeking to understand the services and facility amenities yacht users of the O'Connell Bridge facility would prefer or require, and the related price points.

In order to provide the City and Borough of Sitka with comprehensive feedback on the types of services and amenities important to yacht captains and users who would berth at the O'Connell Bridge Facility, a comprehensive qualitative research design was recommended by Craciun Research Group that included one telephonic focus group with yacht captains and those who arrange yacht user services. Jean Craciun, Sociologist, collaborated with Bill Wilks (Principal-Managing Partner for Alaska Utility Operations with Parrish, Blessing and Associates) acting on behalf of the City and Borough of Sitka, on the focus group discussion guide to ensure a successful project.

Participants for the group were recruited first by Mr. Wilks (with assistance by Fred Reeder, owner of Yacht Services of Alaska), then supported by Craciun to confirm, screen and invite each group member. The focus group was held telephonically on February 5, 2018.

Ms. Craciun moderated the focus group; she holds a Master's degree in Sociology from Cleveland State University and has completed course work on a doctoral degree in Human Resources Education from Boston University. She currently serves on a national board that establishes standards for Qualitative Research Consultants Association (QRCA).

Qualitative Research Background

Focus group research by design provides quality controls on data collection in that participants tend to provide checks and balances on each other, which weed out false or extreme views. The group dynamics typically contribute to focusing on the most important topics and issues being discussed. Trained qualitative analysts can assess the extent to which there is a relatively consistent, shared view of the discussion topics among the participants. ¹

¹ Patton, Michael Quinn, How to Use Qualitative Methods in Evaluation, Sage Publications, November 1987

The focus group interview is an information gathering process that seeks to discover the perceptions, feelings, and experiences of the selected participants about a particular topic. Focus Groups help to determine the ways that participants structure their world around the particular topic. The focus group participants respond to the questions in their own words and trained observers can learn much from the group interview.

The unit of analysis for this type of research is “the group” and not the individual. From the focus group interview we learn how people view the particular topic or experience, hear their terminology and capture the complexities of the individual experiences in a group interview environment.²

A focus group study is a carefully planned series of discussions designed to obtain perceptions on a defined area of interest in a permissive, non-threatening environment. A trained professional moderator conducts each group, usually with six to eight people. The discussions are relaxed, and often participants enjoy sharing their ideas and perceptions. And [Ideally] you don’t do just one focus group. The group discussion is conducted multiple times with carefully selected participants so the researcher can identify trends and patterns.³

Notes to Readers

The participants’ verbatim comments are indented rather than set off in quotation marks. Brackets set off the analyst’s explanations of some of the participants’ comments. Themes are analyzed and developed to facilitate in-depth understanding of the participants’ perspectives on the issues being studied.

² Gredler, Margaret E., Program Evaluation, Prentice Hall, September 1995.

³ Krueger, Richard A., Casey, Mary Anne, Focus Groups 3rd Edition - A Practical Guide for Applied Research, Sage Publication, Inc. 2000

Research Findings

Jean Craciun, moderator for the focus group led the discussion among the participants, who were all yacht captains or a provider of yacht user services. The intent of the discussion was to better understand how the City and Borough of Sitka (Sitka) could make its harbor, specifically the O'Connell Bridge Float facility, a better place to moor a yacht in Southeast Alaska. In other words, what services and facility amenities do yacht users expect from a top-notch facility, what would be essential versus "nice to have", and what price would users be willing to pay for them. The following is a narrative of the discussion that ensued with verbatim comments by group members.

ATTITUDE ABOUT O'CONNELL BRIDGE FACILITY AND SITKA HARBOR

Before exploring the kind of amenities and services Sitka Harbor should provide at its facilities, it was important to ascertain what the overall existing attitude is about the O'Connell Bridge Facility and Sitka Harbor.

All yacht captains were somewhat familiar with Sitka Harbor and the O'Connell Bridge Float facility. One of the captains uses it regularly, one hasn't used it in 4 years, and one has rarely used it but has been by the dock and has heard about it from other captains who use it regularly. All of them felt that the harbor and port facilities were well received within the yachting industry.

I have been very well received with people of Sitka as far as using the port facilities and that's been true for many years.

While the O'Connell Bridge facility is well received, there are concerns about how much wake is generated and how it affects larger yachts on the docks.

Concerning the O'Connell Dock, when I was there last summer, there was considerable amount of wake causing a lot of flexing on the mooring lines and also the pilings with the larger yachts on the dock. Pilings are beginning to work loose.

Similar. I've seen the wake issues there, I've heard about it from other captains who have been put out there, bring that up as a concern.

All of the participants commented that the dock was public and therefore very accessible to everyone. Because of its downtown location, anyone can wander around the yachts; this seems especially true during cruise season. This easy access is a cause for concern about security.

From a captain's point of view, the O'Connell dock is very accessible to people in general... mainly because it is right downtown and there are a lot of people that come in on cruise ships and various things. Would be better to make some provisions to exclude them from actually coming down to the dock and creating issues.

ATTITUDE ABOUT SITKA

The port and harbors for Sitka are just part of the existing yacht facilities spread throughout Southeastern Alaska, and Alaska in whole. If Sitka wants to be the best, there needs to be a baseline to measure itself against. So the discussion briefly looked at how Sitka is perceived as a place to visit and moor a yacht.

The captains believe that Sitka is the one harbor town in Alaska that their clients enjoy mooring. There are things to do, it's rich with history, it's walkable and there is less cruise ship passenger traffic than cities such as Juneau or Ketchikan. In fact, when asked what should change if Sitka wanted to ramp up the experience to be the best port in Alaska, there was consensus that it was already a top-notch port.

At the moment, I tend to think that it is [in response to question about what would make Sitka the best]. And it's mainly because of the history of the town, and it's relatively a good civic community, plus the activities that go on throughout the summer months.

For my clients, guests over the years, it's always been the one town they've enjoyed... going to a dock. In a lot of other towns, we try not to, it's more they're pickup towns, where they fly in and you're off the dock in a matter of minutes, an hour. We've always found the town [Sitka] has been very walkable, nice, a different feeling. I get a lot from guests that it's not as over-run with cruise ships as Juneau and Ketchikan. Even though the cruise ships are there, it's not in your face.

The captains feel that first impressions make a difference. They explained that when you walk around a town you want to feel like its residents care about your presence there. Sitka makes a good first impression, but the area around the harbor could be cleaner and the handling of waste could be more progressive (recycle).

The only thing I could think of is the street cleaning, especially around the harbors. Could be a little more progressive in that there tends to be spills with garbage, and oil clean-up, oil changes and stuff like that. If that could be a little more detailed, it would make a better impression.

Garbage is always an issue... but of course Sitka doesn't do a very consistent recycling thing so there does tend to be a fair amount of garbage produced by the yachts.

The captains and the individuals who make arrangements for yacht guests are most often the ones finding and booking tours for their clients. The participants feel that organizing tours for their clients, especially private ones, is more difficult in Sitka than it used to be, particularly with the demise of Sitka Tours.

Since Sitka tours ceased to exist, it hasn't been quite as good for organizing tours around Sitka... Alaska Coach Tours I think is doing a pretty good job, but it's not as good as it used to be when Sitka Tours was running. So maybe there can be some work with Alaska Coach Tours or the Tribal Tours and try to make something a little more effective there.

IDEAL CUSTOMERS

In order to understand what services and amenities Sitka should provide users of its yacht mooring facilities, it was important to know from their perspective who is the ideal customer. The yacht captains were unanimous in that ideal customers are private and long-term.

I've always worked for private families. So you generally get to know their specific needs. Now they bring guests here and there. I've always had the same [clients], for the most part,.. at least a few of the people are the same people all the time.

I work for a private individual, we don't charter, so the issue of a lot of people requiring different things hasn't come up.

KEY SERVICES AND AMENITIES EXPECTED FROM YACHT DOCKING FACILITIES

One of the goals of Sitka is to make the O'Connell Bridge Float facility the best in Southeast Alaska, if not all of Alaska. To make it so, each of the participants were asked to provide input on what they considered to be essential services and amenities a premium yacht dock would offer. They were also asked to give advice on the accommodations, services and benefits Sitka would be expected to provide, and be responsible for (or in control of), if it wants to offer the "best port and harbor in Alaska" experience. All participants were in agreement on what many of these should be, as noted below.

Security and Privacy are Essential

All of the captains expressed concerns over security of the dock and the vessels moored there. With the dock being downtown it is easily accessible, so people are always wandering around the yachts. Any top-notch facility has security; the O'Connell Bridge dock should as well. Everyone would like access to be more restricted, especially at night. Some of the features discussed include having a gated entry and exit, with key card access.

The O'Connell dock is very accessible to people in general. The larger yachts, some security is a good idea. To have a access card key system or something for the access to that dock.

As a captain, you're just looking for a safe secure place to berth the owner's assets. So wake free, something secure that you don't have to worry about uninvited people on the boat or too close in proximity.

A lockable gate, at least at nighttime and stuff. Really helpful, something you have to have a gate access card, key card to get in and out at least at nighttime. I understand some of these are public places, townspeople will fight back, want to have access to the docks during the day. But at nighttime, they should know you have a locked gate.

Adequate lighting is also an essential amenity the captains felt should be included on any dock, not just for security purposes, but for safe walking on the docks and ramps of the facility.

Adequate lighting on the dock and the ramps (even though all laughed that it was summer in Alaska it does get dusk). Its not all that much of a problem because people tend to be there in the summer months. It is necessary to make sure access on and off the vessels that there's adequate lighting on the dock.

Privacy for yacht users and owners is critical to the experience, especially in a place that is so easily accessible to the public as the O'Connell Bridge facility. Privacy and security go hand-in hand so minimizing access to the general public can go a long way in keeping yacht users and owners from running into potential problems and feeling safer as they go about their business in town.

Going to dock in Alaska, security, as much privacy as possible, cause most of the facilities are public facilities in Alaska. So it is nice to have an area where we can tie up, give the crew the ability to stretch their legs ashore and give the guests the same as well. And feel they won't be singled out as guest owners out of the group.

Just one thing I kind of look for, if I had a comparison, is one more private facility for the owner's guests on the boat to have a little bit more privacy and security too. You're not looking out there trying to enjoy a drink or scenery and there's cruise ship tourists or who knows walking 10 feet off the side of the boat or aft, asking interesting questions.

The privacy aspect of it, especially if there are going to be guests aboard the boat. Just making it so that's not as accessible, try to keep the fishbowl aspect out of it as much as possible.

The crew of the yacht is an important part of the service provided. They also spend a considerable amount of time with the vessel, so the captains felt it was important to provide a safe designated parking facility for yacht and personnel and to take care of boat chores.

Having... designated parking facilities for the yacht's and for personnel.

A place to park where you can easily unload your groceries or unload guests to the boat.

Reliable power is a must

All of the participants agreed that docks should have a reliable source of power that the yachts can plug into. The amount and type of power varied, depending on the size of the vessel that would moor at the dock.

A power supply should be provided as standard. And I would think from the point of view of having a maximum of a 200-foot vessel on the dock, which would be a little bit longer than the dock itself. I think the minimum power requirements would be 200 amps, 3-phase at about 230 volts.

As far as good reliable power, that's one thing we're always looking for. Anything 480, 3-phase, maybe a connection on either end of the dock depending which way the boat is, allows more places, as far as being captains. Owners like to know that the boats have good proper shore power when tied up somewhere for a period of time.

Reliable power for sure. Then if you are using a larger vessel, if you had like a single phase, a lot of us will take like a 50 or 100-amp single-phase service, then you can actually put 2 smaller boats there in the event that you didn't have a larger boat taking that dock space.

If you could provide them power... it's usually 3-phase for them. If you can provide that, you're gonna be the best in the state, if you could provide those items. Even if it's a public slip other than a private like the O'Connell Bridge could be. If you could provide those services, so they could take their generators down and if they had to work on them, that would be huge.

Reliable Wi-Fi connectivity is essential

Yacht captains, their crew and guests often need to download something on their computer, especially after being at sea for several days without a reliable, or any, internet connection, so reliable strong Wi-Fi connectivity is essential. Some discussion ensued as to whether or not this should be something Sitka provides as part of the use of the dock, or is just knowing where to get reliable Wi-Fi access enough.

We haven't brought up yet strong reliable Wi-Fi, if someone can figure that out on the dock. Either having that or having an area in the harbor master's office, somewhere where people can bring their computers in and download stuff. An area where you can have reliable Wi-Fi.

I would agree too. You go into an RV park, and they provide Wi-Fi, that's just part of it. You can do an access code or you can do a charge on it. I've seen that in many places. Where they also give you a code – a one-time code for the day to give you access.

Everywhere I've been, that is usually a marina responsibility [reliable Wi-Fi connectivity]

There is very good Wi-Fi at the library. That is just steps away from the O'Connell facility.

Take care of the basics

When specifically asked what other services the port should provide, and what it should be responsible for, the responses boiled down to basic services, including water and garbage.

Obviously, the development of the dock, needs to have at least 2 water connections on the dock.

Yeah, for either pickup of garbage if it's a known thing when you call in that you can arrange for someone to come down, or having a dumpster facility nearby with a couple dock carts. Dock carts available for use as well.

Reliable sewer, power, clean docks, water and garbage, any kind of information that can be at time of reservation or when the dock master – whoever meets to grab the line can hand off to the boat.

The only thing I think the city is in control of or should be in control of, the basic services, our water, security, patrol of the facility. Again, I have to mention the wake because it's very well controlled west of the bridge but not too much east of the bridge. Garbage service has been adequate in the past.

I think it should have water, and it should have an access to garbage. Security, the locking gates. I know we have that at the O'Connell Bridge dock.

IDEAL EXPERIENCE FOR YACHT USERS

In addition to amenities and services provided by Sitka and its citizens, there are expectations on the part of yacht guests and owners who use facilities such as the O'Connell Bridge facility. Guests want certain experiences and it is up to the yacht captains and those who make guest arrangements to ensure it happens, with the support of Sitka when appropriate.

Anonymity Please!

Yacht users want and expect anonymity. It doesn't matter if they choose to blend in with the crowd or to have a private experience, they don't want their presence announced or known to the general public (i.e., the residents, service providers, etc.). They don't want people to know they arrived on that big yacht docked at the harbor.

I think some of the anonymity would be a little more... some of the guests have been high-profile, people recognize them. And just making sure that all port officials, everybody, knows if they see people they recognize, just not to spread the rumor around or who they may have seen, until after the vessel leaves... It definitely, it keeps us in these small towns longer if they can fly under the radar longer.

The guests... as soon as they get off the boat, they don't want to be necessarily associated with the boat. That's very important to them a lot of time, so they can just blend into the town and do like what everybody else does.

Happy Crew and Happy Owners Means Repeat Visits

Yacht crews and owners like to spend time in ports that look after their needs. This means that the more amenities a port offers the crew and vessel owners, the more likely they will repeatedly return to that port or at least make recommendations that their clients visit it. In other words, the crews and owners influence decisions about the destination based on how the port treats them.

I think the one thing we haven't touched on... is the crew aspect of the towns. A lot of times that drives the destination. Owners have boats go to certain areas, as well there is the other aspect of when you're looking to put the boat up for 3 or 4 weeks somewhere, 2 weeks somewhere. And for the crew, I've noticed a lot of towns, in different places, are going to, as far as having different gyms.

Gyms are a huge thing for yachts, to be able to work out, go somewhere. But having with different gyms in town, hey would you allow one week passes instead of doing an annual membership? Can we get, can the crew come in for three days to this one, three days to? ... Obviously they'll pay for going to it. But having those things in a packet when you come in, saying hey, here's a little discount to go do this tour. Why don't you guys do this? But working out in gyms, Pilates, yoga classes, those are huge things and it is amazing what a little half hour, hour for crews to go do stuff like that, and have a studio to go there, keeps their interest in a town.

Make Information Current and Easily Accessible

One of the biggest complaints from the yacht captains is the lack of consistent and complete local information they need so that they can give their clients the ultimate experience. They want information packaged in way that makes it easy for their clients to find the services or excursions they need or desire. For example, provide information on local services like dry cleaning or laundry services or where to access Wi-Fi; local sights such as national parks or hiking trails; and available charters or adventure tours. Where is the fishing!

One thing that could be made more available for the port aspect is to have information readily available for all the national parks, trails and all the things are readily available but the information is not readily available. So if it could have all the local trails information at the harbor master's office, that would be very useful.

I've been coming to Sitka quite often. Just getting general information, it used to be very easy to get ahold of a phone book and look things up. You don't get phone books anymore. So things like where the laundry is. Sometimes if people have to do a fast turnaround, they need help with laundry. All the services that supply trips. You got people doing adventure trips and things like that. There's no place like that where you where you can get information. There is some information provided at the harbor master's office, but if you could just put up some sort of bulletin board with information on all the various guided tours.

Often times, the captains have to make last-minute plans or changes for their clients. For example, fishing or weather conditions are always changing, so current, up-to-date information is important. Clients may have ideas of what they want to do when they depart from their home port but then change their mind when they arrive at a "destination" port like Sitka. Captains want the knowledge and flexibility to easily accommodate their client's requests. Right now, a lot of the information is gathered by walking the streets, so having some organized source of information would be helpful.

My experience has been my guests will come on for say, a week. If the fish were biting yesterday or the day before, they're going fishing tomorrow. So we're going out. So we either hire local knowledge to come with us or we charter a local boat for the experience... We usually look for references in advance, or I'll go fish where they're at in advance. Walk the dogs, see who brings back the most amount of fish, talk to guys and see how clean they keep their boats. Pick their brains a bit to see where they're biting and what the catch has been like. Get an idea if that'd be a guide I'd use for my guests.

If the city could canvass all the local people to find out how the fishing is going from week to week, that has some sort of record keeping that would be advantageous.

Even if there was a main notice to all the local fishing lodges, the boats there. That if they have a free boat available... have a board saying they have space or what not... A lot of my charters are last minute. The guests will get there, weather is crummy. Let's stay local. Let's stay a couple more nights at the dock. Can you find us a fishing boat tomorrow? A lot of time, crew they want to go fishing. So hey, if you have one or two spots, they don't need an exclusive boat, they might just want to jump on with another boat. Let the local charter guys know if they have individual availabilities or empty boats on certain days. To maybe go over to the yachts. Hey you guys, I have a boat available. Let us know. I find myself a lot of time scrambling... I have guests who say they don't want to fish, don't want to charter. But when they get there and want a charter boat the next morning, so it's a scramble to find a boat.

I would say that with the tours, not having Sitka Tours being there anymore, what I find a lot of times is... you work trying to find tours that are private, that aren't shared, everything from charter fishing boats to other things. When you call up and say I want a private vessel, really working with the tenants, knowing that the yachts a lot of times will want to either have a private car, or vessel when they do charter and not fill it, regardless if they have to pay the whole – obviously they pay for it all, but they might only send 4 people for an 8-person activity.

It might be advantageous to see if it would be possible to update fishing information. A lot of people in the Sitka area, find out exactly how the fishing is going. That would be an advantage.

When asked specifically about “concierge services” and whether or not the client is willing to pay for it, the captains indicated that they already do, in other ports. One of the participants indicated he provides some of the very services the captains were saying they wanted.

We kind of set up a whole itinerary for them. And then when they got to the different ports, say when they come into Sitka, I will have notified the harbor master, typically I try to do it a half a month or sometimes even two or three months in advance because docking is so tight, that when we know we got docking and secured, then we reserve it with the harbor master. Then once the yacht gets there, I have a whole packet of information on things involved in the community, many of them I've already sent them electronically so they know in advance what they're gonna need. Many of them have private jets that come in, then I arrange with local vendors or myself and my vans to take them over to their jet and their luggage. Tours, I arrange tours, I arrange reservations for restaurants in the evening.

The concierge service, you've got the visitor's bureau which has a lot of that information and their members pay to have them advertise them. If the City could provide a list of here's who you can see kind of thing... The cleanest, best services, they're gonna fill those spots up with those parameters.

Yes, I've paid for it in other places [in response to the question of whether or not concierge-type services would be something people are willing to pay for].

Slip reservations

All of the participants felt that slip reservations to moor the boat was an important benefit and they are willing to pay a higher price to have a guaranteed slip.

I know there's a price for reservation versus come in. That's value to have a higher price to guarantee a slip. I've paid it many a time up there to hold reservations. I think the price can bear that.

I think most of the captains want a place they can reserve in advance, so when they come in, they know they have a slip.

Being able to guarantee a slip is very important.

Wi-Fi accessibility

All of the participants agreed that Wi-Fi accessibility was important. They also agreed that while they think the port should provide reliable Wi-Fi, they felt that paying for the service was normal, and should be included in the moorage fees. Some of the captains also felt that ease of log-in should also be a consideration – they don't want multiple codes for each individual who needs Wi-Fi.

People aren't opposed to paying for Wi-Fi if it is good quality, high-speed Wi-Fi. If I can just break in for one second on the Wi-Fi. If you can bill it to the moorage, instead of having to pay in as you go.

That a lot of ship board servers push back at those pay sites. And they just have too many... We want to update some vessel information, vessel computers and different stuff. When you have to do an individual log in on every device and pay that way versus getting one access code from the marina. Just be able to access, don't want to necessarily hand out a code to every person where you could give one code. It's a daily amount, built into the moorage whatever it is. I put it on my server, then it out to the vessel service and the guest, crew access the Wi-Fi.

MAKE OR BREAK PRICE POINTS

After discussing the key expectations of everyone involved in the yachting experience, the question that arises is at what price do we offer these services, amenities and experiences, and who pays for it? The goal of the question was to determine whether or not there was a threshold that yacht service providers (the captains, crew and those who make arrangements for yacht guests) and/or their guests would deem something too expensive – what's the "pain point". What came out of the discussion was a somewhat surprising assertion that price just really didn't matter and wasn't a part of everyday conversations for this population.

I have no real input on pricing. It always comes back to what the market will bear. Many years ago I was advocating for higher prices for yachts, and that has already come about. I don't think I have anything to add on.

As far as pricing goes... it's kind of dictated by all the facilities and stuff around. If they want to go to a dock, we go. Don't remember having a conversation about price per se.

All that said, the pricing comes down to the reservation for a slip and providing that reservation and all the related costs and fees for related experiences, services and amenities. In other words, make it a bundle price.

I think for me, I would say having the reservations you're paying extra, whoever is paying ... I'm not sure where your guys' price break down is... I don't know why Juneau comes to mind. Juneau 85 cents without reservations, \$3 with reservations. Maybe that comes with a nice... when you tie up, whoever comes down to grab your lines brings a packet or bag with all the brochures and stuff. But then that's still doing your own groundwork. If there is anybody to pay for servicing, I would like to charter a fish boat and do all this... whether it gets billed to the slip moorage and then a percentage gets tacked on to that as a convenience fee – the concierge fees. Might come in, say I got 8 guests, we need 2 fish boats tomorrow mornings.

Can you arrange it? If you tack on an extra percentage to cover your costs, and then it gets billed to the moorage. All in one bill is a very nice thing. Keep the paper work down.

Appendix

SE Yacht Services

Focus Group Discussion Guide

Telephonic Session held 2/5

[TARGET SEGMENT: This one session is with yacht captains and individuals who make arrangements for reserved yachts use at the O'Connell Bridge Facility in Sitka Alaska. Agent Fred Reeder (YSOA) supported our efforts to reach the people with the necessary knowledge to participate. We are hoping to speak with 5-8 people and the session will last one hour telephonically.]

I. INTRODUCTION:

Today we are here to gain a better understanding regarding thoughts on how to make Sitka the best docking spot in Southeast Alaska. We will be talking today about services that matter to you specifically. We will also spend considerable time exploring your views on current moorage and other services you believe are necessary including the "rates/fees" for these services in float facilities in Alaska. It is important for the City and Borough of Sitka to hear from you on what to consider as they renovate and upgrade the O'Connell Float facility to meet the service requirements for yachts visiting Sitka, Alaska.

II. WARM-UP: Awareness of City and Borough - Port & Harbor Issues

Let's begin with the big picture. We really do not need any detail at this time, but rather to put into context the impact to the Sitka Community of the yachts at the Bridge Facility.

1. Generally, do you think the community is supportive of the Port and Harbor?
2. Does everyone know **what happened** and what the City and Borough is up to regarding repairs from damage of the O'Connell float facility?
3. Has anyone **read, heard or seen** anything regarding what services might result from these efforts. What is the word-on-the-street regarding the Port & Harbor?

[WATCH FOR: Any banter about problems in Alaska; issues related to the politics of the effort. Get them on and off the table and do not engage in discussion of off-topic issues.]

III. IN-DEPTH: Services Desired by Customers

1. Now let's move into a discussion on necessary services. Right now what is available and explain a little bit about how it happens when a client/customer. calls, specifically what are they requesting.

[WATCH FOR A DISCUSSION OF THOSE DESIRED BY GROUP MEMBERS.: CRITICAL REQUIREMENTS ARE WATER, ELECTRIC SERVICE AT 380 VOLT THREE PHASE SERVICE BECAUSE RUNNING SHIP GENERATORS ARE EXPENSIVE AND RESULT IN WEAR AND TEAR ON THEM;

WHEN ELECTRIC SERVICE IS BETTER. ALSO GARBAGE SERVICE IS NICE TO HAVE PEOPLE PICK IT UP SO THEY DON'T HAVE TO MAKE THE LONG TRIP TO THE LANDFILL. THEY ALSO LIKE TO HAVE EXCLUSIVE ACCESS SO NO ONE IS AT THE SHIP THAT IS NOT EITHER A CAPTAIN OR CLIENT/PASSENGER.]

2. Who are your ideal customers?

A. How many are out there, really?

- B. What are they looking for, exactly?
- C. Are the current rates charged about right or not what customers want to pay.
- D. Let's talk specifically about rates that accompany what services currently.

3. And now, what would take Sitka into that category of BEST PORT in Alaska?

[AS NEEDED FOR DISCUSSION: ask them to be realistic and get parameters from Bill or Fred?]

QUESTIONS FOR DISCUSSION PROBE FOR DETAILS:

1. What would make moorage more appealing?
2. Do customers understand the challenges you and the Port & Harbor have?

[PROBE THIS QUESTION: ASK CAPTAINS FOR A PREFERRED SERVICE LIST AND FEES. THEN ARE FEES MORE IMPORTANT THAN THE AVAILABILITY OF THE SERVICE. FOR EXAMPLE, PROVIDING 380 VOLT 3 PHASE ELECTRIC SERVICE IS EXPENSIVE TO PROVIDE FOR THE CITY BUT IF IT WAS AVAILABLE AT WHAT PRICE WOULD YOU SIMPLY USE YOUR SHIPS GENERATORS. THEN ASK IS EXCLUSIVITY IMPORTANT AND IF WE CAN YOU IDENTIFY SERVICES TO MEET THIS REQUIREMENT (I.E. ACCESS CARDS THAT GET ISSUED THAT ONLY WORK FOR THAT CARD AND NO ONE OTHER THAN HARBOR EMPLOYEE'S CAN ACCESS. QUESTION TO PROBE: DO THEY WANT EXCLUSIVE ACCESS TO TRANSPORTATION AND LODGING SO THEIR STAY IN SITKA IS NOT ON THE SHIP BUT ON LAND.

3. How about those *Super Yacht Owners* how far could the City and Borough take this in terms of accommodations, services, and benefits?
4. What is the word-on-the-street about missed opportunities?

USE EXAMPLES AS NEEDED: (BILL I need examples of extremes here that customers could get if they paid more; and what is realistic? For example, you mentioned in your notes exclusivity, WIFI, Harbor staff welcoming team etc.)

5. Let's hear some top of mind thoughts coming to you now about all of this?
6. If The City and Borough would go 1000% with this renovation what would that look like and at what rate to the customer?

[DISCUSSION ABOUT RATES: how thorough do you want to explore this and it is a little hard to do over the phone but we could throw out some rates?]

7. How much would you be willing to charge customers/clients? [PERHAPS A FOLLOW UP QUESTION TO THIS WOULD BE: "IF THE SERVICES WERE PROVIDED AT REASONABLE RATES WOULD YOU SIMPLY PASS THESE FEES THROUGH TO THE CLIENTS (PRIVATE YACHT OWNER OR COMPANIES THAT PROVIDE YACHT TOURING SERVICES) AND WOULD THIS HAVE ANY IMPACT ON THE YACHT BUSINESS.
8. And finally, if the City and Borough makes this Port and Harbor the best in Alaska. Tell me again what that looks like and how much they can charge in rates and for what services. Let's say as it compares to other places in Alaska.

IV. WRAP UP: What is realistic for the Community of Sitka

Finally, if you could give your best advice to the City and Borough about their next move; what would be best for the community and for the visitors to the Port and Harbor?



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 18-07 Version: 1 Name:
Type: Ordinance Status: AGENDA READY
File created: 3/7/2018 In control: City and Borough Assembly
On agenda: 3/27/2018 Final action:
Title: Amending Sitka General Code Title 21 "Subdivision"
Sponsors:
Indexes:
Code sections:
Attachments: [Motion and memo Ord 2018-07.pdf](#)
[Ord 2018-07 Subdivision code.pdf](#)
[ZA18-02 Monumentation PlanningPacket 6Feb2018..pdf](#)

| Date | Ver. | Action By | Action | Result |
|-----------|------|---------------------------|--------|--------|
| 3/13/2018 | 1 | City and Borough Assembly | | |

POSSIBLE MOTION

I MOVE TO approve Ordinance 2018-07 on
second and final reading.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Honorable Mayor Hunter and Assembly Members

From: Michael Scarcelli, Director, Planning and Community Development *MJS*

Cc: Keith Brady, Municipal Administrator
Brian Hanson, Municipal Attorney
Michael Harmon, Director, Public Works

Date: March 7, 2018

Subject: Recommendation for Code Change Regarding Title 21 Monumentation and Flagging Requirements.

Background: in early 2016, Staff in consultation with local surveyors, engineers, and regional professionals began to realize that the existing Title 21, Subdivision code, that required monumentation (aka property markers, brass cap, *etc.*) and flagging were very stringent and not followed.

The state has legislated in the field of required monumentation for subdivisions (AS 40.15.320). In essence, that law requires something akin to *secondary* monumentation at all angle points. State law does not require *primary* monuments at all angle points. However, our existing code requires primary monumentation at all angle points.

Primary monumentation is also a field legislated by the state. Primary monumentation requires extensively more survey work (3 bearing objects and additional recordings), which raises the cost of land development significantly (approx. \$1,500 to \$10,000 per subdivision). Primary monumentation at all angle points is better suited for very large tracts of land where one marker may be hundreds of feet from another marker. Primary monumentation is not necessary for property marking of distances of 60-150 linear feet, which is the case for Sitka most of the time. It is also an educated guess, but staff believe our existing code was influenced by certain state law regarding surveying of large tracts of state land (11 AAC 53.100-260).

In regards to monumentation, our proposed code surpasses the state minimums and is a middle ground approach to our current code. The proposal is a blend of requiring secondary monumentation for most points and primary monumentation as needed, but not too much.

In regards to flagging, that is where our existing Code is even more unique. There is no state requirement. Currently, flagging in our local code is required by default and is often a wasted cost (in that flagging does not always produce a benefit). The proposal is to require flagging upon motion of the deciding body, when it is germane to a material issue regarding the subdivision (topography, drainage, structures, location of utilities or other important improvements, or other material issues, such as disputed property line raise the need for more information).

To sum, through an extensive process that began in December 2016, staff have drafted the following proposal that attempts to change the code to something that is good enough, but not too much, while preserving reasonable, accurate, and fair subdivision processes and monumentation and flagging requirements.

Fiscal Note: code drafts covered by existing staff budgets. Positive economic impact to developers over existing code that will reduce development costs substantially.

Recommendation: To approve the code change.

Applicable Code: Title 21: 21.12.010, 21.12.030, 21.32.040, 21.32.050, & 21.40.160.

CITY AND BOROUGH OF SITKA
ORDINANCE NO. 2018-07

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING SITKA GENERAL
CODE TITLE 21 "SUBDIVISION"

1. **CLASSIFICATION.** This ordinance is of a permanent nature and is intended to be a part of the Sitka General Code of the City and Borough of Sitka, Alaska.

2. **SEVERABILITY.** If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and application thereof to any person and circumstances shall not be affected thereby.

3. **PURPOSE.** The purpose of this ordinance is to revise the monumentation and flagging requirements for subdivisions to reduce costs, create continuity between practice and code, provide for reasonable, durable and accurate monumentation, while providing an accurate and fair subdivision process that is not excessively burdensome.

4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that the Sitka General Code Title 21 Subdivision, be amended as follows (new language underlined; deleted language stricken):

**Title 21
SUBDIVISION**

**Chapter 21.12
MINOR SUBDIVISION**

Sections:

- 21.12.010 Application.
- 21.12.020 Concept plat.
- 21.12.030 Final plat.
- 21.12.040 Recording timetable.

21.12.010 Application.

A. The minor subdivision plat procedure shall apply to the following plats:

- 1. Plats that create no more than four additional tracts or lots;
- 2. Plats that create parcels that will become integral parts of the adjoining lots or rights-of-way;
- 3. A movement or creation of lot lines that does not result in an increase in the density or number of residential units within the area being subdivided or resubdivided;
- 4. A subdivision involving the vacation of a street or alley;
- 5. A subdivision created for a government agency acquisition of a street right-of-way.

B. Basic Criteria. The following general conditions are necessary for approval of a minor subdivision:

- 1. No dedications are needed;

- 57
58 2. Monuments exist sufficient to locate all proposed lots on the site, as required by
59 section 21.40.160;
60
61 3. The plat includes all contiguous land under common ownership;
62
63 4. Maintenance agreements as necessary.
64

65 C. Preapplication. Participation in preapplication procedures as described in the major
66 subdivision plat requirements (Section 21.32.020) is advised to address any questions
67 regarding the minor subdivision application.

68 * * *

70
71 **21.12.030 Final plat.**

72 A. A final plat shall be prepared by a registered land surveyor and submitted for planning
73 commission review following the board review of the concept plat. The plat shall comply with all
74 the major subdivision final plat submission requirements in Section 21.32.160. The easements
75 and improvements shall comply with all the applicable standards in Chapter 21.40. It must be
76 submitted at least thirteen days prior to the next planning commission meeting. ~~The perimeter of~~
77 ~~the subdivision shall be flagged with readily viewable marking at least ten days prior to the~~
78 ~~planning commission hearing. In addition, the planning office may require that interior~~
79 ~~subdivision lot corners shall be marked with two inch square wooden hubs and flagging ten~~
80 ~~days prior to the planning commission hearing. Flagging may be required along the proposed~~
81 plat's existing or proposed boundaries or features as required by the platting authority pursuant
82 to section 21.40.160. Notices and a public hearing shall be required and given as provided for
83 Chapter 21.52.

84
85 B. In addition to providing a plat that conforms to the major subdivision final plat requirements,
86 the following shall be submitted:

- 87
88 1. General topography of the site and immediate surroundings, showing specific
89 topographic features and spot elevations. The purpose of this topography is to
90 provide an understanding of the overall terrain of the site and to confirm the grades
91 of access easements and rights-of-way. The planning commission may also
92 require more detailed topographic information of existing and proposed grades.
93

94 C. The planning commission shall approve, deny, or approve with conditions the final plat at a
95 regularly scheduled meeting and the action shall be given within sixty days of the date of
96 submission of a complete final plat. A delay in commission action may be requested in writing
97 by the applicant, may result from the application being incomplete, or may result from evidence
98 requiring further city consideration. If the plat approval is denied or the applicant is not satisfied
99 with the conditions placed on the plat, the matter shall be reconsidered by the planning
100 commission unless the applicant files an appeal directly to the assembly.

101
102 D. After the final plat is approved, a recordable plat shall be prepared by a registered land
103 surveyor including any required certificates as also required of a major subdivision, all
104 applicable plat notes required by this title, and all plat notes required by the planning
105 commission during the approval process. The recordable document shall reference all
106 monuments that have been installed following the approval of the plat.

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* * *

Chapter 21.32
MAJOR SUBDIVISIONS

Sections:

- 21.32.010 General outline of procedure for major plat approval.
- 21.32.020 Major subdivision preapplication.
- 21.32.030 Major subdivision—Suggested concept plan submittal.
- 21.32.040 Major subdivision—Preliminary plat submission requirements.
- 21.32.050 Preliminary plat review and approval.
- 21.32.160 Major subdivision—Final plat submission requirements.
- 21.32.170 Final subdivision plat review and approval by the planning commission.
- 21.32.180 Final subdivision plat review and approval by the assembly.
- 21.32.190 Appeal to superior court.

* * *

21.32.040 Major subdivision--- Preliminary plat submission requirements.

- A. In the event the owner or developer does not elect to go through the concept plat review process and submit a complete application at that time, an application for subdivision plat approval shall precede the submission of a preliminary plat. If a previous application does not incorporate any request for any necessary platting variances and vacations, those requests shall accompany the applications. Applications shall be in a form approved by the city.
- B. Preliminary plat applications shall be signed by all persons holding an interest in the property that is the subject of the application. If the applicant intends to develop the land covered by the preliminary plat in phases, the application for preliminary plat approval shall include a master phasing plan specifying the timing and sequence of development.
- C. The preliminary plat shall include all contiguous land under the applicant's ownership even if under separate legal description. If only a portion of the applicant's land is intended for development under the proposed subdivision, the remaining portion shall be given a tract designation and shall be part of the preliminary and final plat.
- D. The applicant shall submit the application for preliminary plat approval, including the following items, within the time required by the city in order for staff review before the regular meeting of the planning commission at which the plat is to be considered. The city shall determine the completeness of the application and notify the applicant if additional information is necessary. The perimeter of the subdivision ~~shall~~ may be flagged with readily viewable marking at least ten days prior to the planning commission hearing when required pursuant to section 21.40.160. In addition, the planning office may require that interior subdivision lot corners shall be marked with two-inch square wooden hubs and flagging ten days prior to the planning commission hearing. The planning commission review and public hearing shall be scheduled for the earliest possible date depending upon the size and complexity of the proposal.
- E. Preliminary Plat Submittal.
 - 1. Plat Copy Requirements.

- 158 a. Four blue or black line prints of the preliminary plat prepared by a
159 registered surveyor (or fewer copies as approved by the city).
160
- 161 b. One eight-and-one-half-inch by eleven-inch sheet of the proposed new lot
162 lines without signature blocks.
163
- 164 c. One copy to each of the appropriate governmental state or federal
165 regulatory agencies and to the private telephone/television companies
166 directed by the city.
167
- 168 2. All plats shall be drawn to a scale of at least one inch equals one hundred feet
169 to show details and to enable appropriate decisions. Plats shall be submitted on
170 sheets of one of the following sizes with each sheet being the same size: eighteen
171 by twenty-four inches, twenty-four by thirty-six inches, or thirty by forty-two inches.
172 The plat shall have four distinctive line weights according to the following
173 breakdown from heaviest to lightest:
174
- 175 a. Boundary lines;
176
- 177 b. Block and tract outlines;
178
- 179 c. Lot lines;
180
- 181 d. Easements, street centerlines, topographic contours, and other features.
182
- 183 3. The preliminary plat shall include the following information:
184
- 185 a. Title block at the bottom right corner of the plat sheet or the index sheet
186 showing:
187
- 188 i. Name of proposed subdivision,
189
- 190 ii. Scale,
191
- 192 iii. Date,
193
- 194 iv. Total area,
195
- 196 v. Legal description of parcel being subdivided,
197
- 198 vi. Proposed lot numbers, block numbers, and street names,
199
- 200 vii. Name, address, and license number of surveyor preparing plat,
201
- 202 viii. Owner(s) and/or applicants of the property and mailing address;
203
- 204 b. When a plat consists of more than one sheet, an index sheet is required.
205 The index sheet must include a key map showing the entire project with street
206 names, lots, block numbers, match lines indicating the sheet numbers which
207 will display pertinent data of that particular portion of the project. The match
208 lines shall follow obvious divisions within the plat and be easily recognizable.

- 209 When more than one sheet is submitted, one sheet shall contain all the
210 approval certificates. All sheets must be the same size;
- 211
- 212 c. North arrow;
- 213
- 214 d. Vicinity map which includes the following:
- 215
- 216 i. Scale of one inch equals one thousand feet,
- 217
- 218 ii. Principal road systems, and, if applicable, major water bodies and/or
219 watercourses, boundaries of national forest or other pertinent
220 boundaries, location of subdivision and north arrow;
- 221
- 222 e. Dedicated rights-of-way, patent reservations, road easements, or utility
223 and other reservations, public or private, within the proposed subdivision
224 boundaries and within contiguous parcels showing location, dimensions, and
225 purposes;
- 226
- 227 f. Adjacent property lines shall be shown with dashed lines to show their
228 general relationship to the proposed plat;
- 229
- 230 g. Proposed lot lines, tract lines, and rights-of-way including approximate
231 dimensions and areas of all lots and tracts, approximate curve radii and
232 lengths, and similar information;
- 233
- 234 h. Designation of proposed public areas;
- 235
- 236 i. Topography shall be shown with contour intervals of two feet for any
237 portion of the proposed subdivision within the floodplain of any watercourse;
238 five feet outside floodplain areas if the ground slope is less than ten percent;
239 and ten feet if the ground slope is greater than ten percent;
- 240
- 241 j. Preliminary horizontal location of water supply, sewage collection or
242 disposal systems, storm drainage and other public improvement details to
243 enable the city to make a preliminary determination as to conformance with
244 municipal and state standards;
- 245
- 246 k. The location of water bodies and drainage courses, including the location
247 of flood hazard areas;
- 248
- 249 l. The location of existing facilities, permanent buildings and structures
250 within the proposed subdivision such as roadways, buildings, sewage
251 systems, wells, oil lines including pipe sizes, utility poles and lines,
252 underground power lines, excavations, bridges, and culverts;
- 253
- 254 m. Legal access from the public system where necessary;
- 255
- 256 n. Any additional information required by the municipality.
- 257
- 258 F. The applicant shall submit supporting written information including all soils and engineering
259 data required by the appropriate state agency for the review of installation of either on-site

260 sewer and water facilities, if such are needed, or the general design and layout when such
261 utilities are to become a part of the city and borough community system. If this subdivision or
262 any part thereof is in a coastal management district, any information required for coastal
263 management compliance shall also be submitted as may be required by the city.

264
265 G. Accompanying the preliminary plat shall be a plat certificate documenting all persons
266 holding any legal interest in the land being subdivided, prepared by an authorized title insurance
267 company.

268
269 **21.32.050 preliminary plat review and approval.**

270 The planning commission shall approve, deny, or approve with conditions the preliminary plat at
271 a regularly scheduled meeting and the action shall be given within sixty days of the date of
272 submission of a complete final plat. ~~The exterior of lot lines of the project shall be flagged ten~~
273 ~~days prior to the first planning commission hearing on the preliminary plat. Flagging of interior~~
274 ~~lot lines shall be installed at the same time if required by the municipality. Flagging may be~~
275 required along the proposed plat's existing or proposed boundaries or features as required by
276 the platting authority pursuant to section 21.40.160. A delay in commission action may be
277 requested in writing by the applicant, may result from the application being incomplete, or may
278 result from evidence requiring further city consideration. If the plat approval is denied or the
279 applicant is not satisfied with the conditions placed on the plat, the matter shall be reconsidered
280 by the planning commission unless the applicant files an appeal directly to the assembly.

281
282 * * *

283
284 **Chapter 21.40**

285 **DESIGN AND CONSTRUCTION REQUIREMENTS AND MONUMENTATION**

286
287 Sections:

- 288 21.40.010 Design principles and standards.
289 21.40.020 Compliance with standard specifications and subdivision agreements.
290 21.40.030 Easements.
291 21.40.040 Lots and blocks.
292 21.40.060 Maintenance agreements.
293 21.40.070 Street improvements.
294 21.40.080 Street arrangement.
295 21.40.090 Access to primary and secondary roads.
296 21.40.100 Street names.
297 21.40.110 Dedicated right-of-way street design standards.
298 21.40.120 Rights-of-way.
299 21.40.130 Additional design and construction requirements.
300 21.40.140 Design and construction requirements for subdivided island properties.
301 21.40.150 Flood hazard areas.
302 ~~21.40.160 Required monumentation—Final plat monuments.—~~Monumentation and flagging.

303
304
305 * * *

306
307 **~~21.40.160 Required monumentation—Final plat monuments.—~~Monumentation and**
308 **flagging.**

309 A. Generally.

310

311 1. All subdivisions, boundary line adjustments, replats, and any plat that
312 requires approval to be recorded shall comply with the required monumentation
313 and flagging as detailed in this section. References to monumentation and flagging
314 requirements appear in other sections of this code; however, this section shall
315 control.

316
317 4. 2. All monuments required herein shall be installed, shown, and referenced on
318 all final subdivision plats prior to the recording of the plats. All monuments
319 recovered during the survey process shall all be shown on the plat.

320
321 2.— ~~Flagging requirements appear in the sections covering preliminary and final~~
322 ~~plat reviews in other chapters of the title. If considered appropriate to facilitate the~~
323 ~~review of the subdivision, temporary wooden hubs may be required to be installed~~
324 ~~by the municipality during the review process.~~

325
326 B.— ~~Primary monuments must be established for surveys as set forth herein. A primary~~
327 ~~monument must consist of a minimum two-inch diameter metal pipe at least thirty inches long~~
328 ~~with a minimum four-inch flange at the bottom. A minimum two-and-one-half-inch diameter~~
329 ~~metal cap must be permanently attached at the top. If both the cap and the pipe are of~~
330 ~~nonferrous metal, then additives with magnetic qualities must be permanently attached at both~~
331 ~~the top and bottom of the monument. Every primary monument cap must be permanently~~
332 ~~stamped with the year set, the surveyor's registration number, and the corner identification. The~~
333 ~~city may approve one of the following alternatives upon petition by the surveyor: a cap grouted~~
334 ~~into firm stone or a durable tablet containing a minimum of one thousand cubic inches of~~
335 ~~concrete and a cap marking the actual corner point.~~

336
337 C.— ~~Every subdivision must have a minimum of two primary monuments set or recovered on~~
338 ~~the boundary of the subdivision. All angle points along the subdivision boundary should have a~~
339 ~~primary monument. Primary monuments along a subdivision boundary may not be situated~~
340 ~~more than one thousand three hundred twenty feet apart. If an exterior boundary line is less~~
341 ~~than two thousand six hundred forty feet, but more than one thousand three hundred twenty feet~~
342 ~~long, then the intermediate primary monument must be set as close to the midpoint as practical.~~
343 ~~If the point for a primary monument is in a place that would be impractical to monument~~
344 ~~because of natural obstacles such as water bodies or roads, a witness corner must be set. The~~
345 ~~witness distance and course must be shown on the plat of survey from the existing monument~~
346 ~~as set to the true corner position. Witness corners must always be set on a survey property line~~
347 ~~at a distance considered reasonable and practical from the true corner point. Witness corners~~
348 ~~must comply with the standards for primary monuments.~~

349
350 D.— ~~Secondary monuments shall be used for property line curvature control, at interior angle~~
351 ~~points, on interior lines that exceed one thousand three hundred twenty feet in length that are~~
352 ~~not established with primary monuments, and all other corners that are part of the subdivision.~~
353 ~~Secondary monuments will consist of at least a five-eighths-inch metal bar four feet long with a~~
354 ~~one-and-one-half-inch cap attached at the top with the surveyor's registration number and~~
355 ~~corner identification stamped on the top. Secondary monuments do not require monument~~
356 ~~accessories.~~

357
358 3. The following are the requirements for secondary monumentation:
359 a. All secondary monuments shall be at least a 5/8 inch by 24 inch rebar
360 and cap at all exterior and interior controlling corners, points, and angles.
361 Monuments shall be capped and stamped with survey grade material and

362 information. Where topography limits depth or type of monument, a
363 reasonable survey grade monument of choice may be used if approved by the
364 platting authority, and this includes setting monuments until reasonable refusal
365 for depth.

366
367 b. Secondary monumentation shall be required at all exterior and interior
368 angles, corners, points, and used where needed for curvature control for all
369 subdivisions, replats and/or reviews under this title.

370
371 i. Where there is an existing and sufficient monument that is accurate and
372 durable, that monument may be used to fulfill this subsection.

373
374 ii. Primary monumentation may be required for certain plats. A primary
375 monument will fulfill this subsection.

376
377 4. The following are the requirements for primary monumentation:

378
379 a. Primary monuments must be established for surveys as set forth in this
380 subsection. A primary monument must consist of a minimum two-inch
381 diameter metal pipe, at least 30 inches long, with a minimum four-inch flange
382 at the bottom. A minimum two-and-one-half-inch diameter metal cap must be
383 permanently attached at the top. If both the cap and the pipe are of nonferrous
384 metal, then additives with magnetic qualities must be permanently attached at
385 both the top and bottom of the monument. Every primary monument cap must
386 be permanently stamped with the year set, the surveyor's registration number,
387 and the corner identification. This data must be orientated so that the data
388 may be read when the reader is facing north. Monuments and accessories
389 found in a disturbed condition must be returned to the original position and
390 condition as nearly as possible or replaced so as to perpetuate the position.
391 An alternative monument may be approved by the platting authority, where
392 needed due to constraints of topography.

393
394
395 b. All major subdivisions, planned unit developments, cluster subdivisions,
396 small lot subdivisions of 6 lots or more, or any hybrid or combi subdivision of 6
397 lots or more shall provide at least two (2) recovered or new primary
398 monuments along the boundary of the subdivision at points required by the
399 platting authority or planning commission.

400
401 c. All minor subdivisions, zero-lot lines, or hybrid or combi subdivisions of 5
402 lots or less shall provide at least one (1) recovered or new primary monument
403 along the boundary of the subdivision at points required by the platting
404 authority or planning commission.

405
406 d. Primary monumentation for boundary line adjustments, accretion plats,
407 replats, vacation of easements or right-of-ways, lot joiners, or lot splits may be
408 required where existing primary monumentation is found insufficient by the
409 platting authority or planning director.

410
411 e. Existing primary monuments that are recovered, accurate, and durable
412 may be used to fulfill this subsection.

413
414 E. f. All primary monuments must be referenced to at least three bearing trees
415 or objects. If bearing trees or objects are used, they must be located as nearly
416 as possible at right angles and may not be farther than one hundred feet from
417 the monument. A distance to trees or objects must be measured at waist
418 height and in the case of trees measured to the center of the tree with
419 distances reduced to horizontal equivalent. Bearing trees must be marked with
420 a nonferrous metal tag of at least nine square inches in size which must be
421 placed facing the monument. These tags must be clearly and permanently
422 marked as to the corner nomenclature and distance.

423
424 5. Existing recovered monumentation shall be shown and described.

425
426 6. Flagging requirements appear in other sections of this title, however, this
427 section shall control. If considered appropriate to facilitate the review or
428 consideration of a subdivision or other plat, flagging may be required to be
429 installed by the municipality during the review process. Criteria to determine
430 when flagging shall be installed shall include when topography, drainage,
431 structures, location of utilities or other important improvements, or other
432 material issues, such as disputed property line raise the need for more
433 information. Such a decision shall be by motion of the planning commission,
434 platting authority, or city and borough assembly.

435
436 5. **EFFECTIVE DATE.** This ordinance shall become effective the day after the date of its
437 passage.

438
439 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of Sitka,
440 Alaska this 27th day of March, 2018.

441
442
443
444 _____
445 Matthew Hunter, Mayor

446 ATTEST:

447 _____
448 Sara Peterson, MMC
449 Municipal Clerk

450
451 1st reading 3/13/18
452 2nd reading 3/27/18

Information provided to Planning Commission



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

Planning and Community Development Department

Date: February 6, 2018

From: Michael Scarcelli JD, Director, Planning and Community Development Department

To: Planning Commission

Re: Monumentation Discussion and Direction

KEY POINTS AND CONCERNS:

1. Existing Monumentation Standards are very stringent.
2. Existing Monumentation standards have, arguably, not been followed
3. Existing Flagging requirements are mandatory and sometimes have no value, but have a cost.
4. Proposed monumentation is in-line with practice, provides a standard that is moderate and similar to many other jurisdictions, and reduces development costs from about \$1,500 to \$10,000 versus if all monuments were primary.
5. Proposed flagging would occur where circumstances warrant and upon motion of the Commission.

RECOMMENDATION:

Staff recommends that the Planning Commission recommend approval of this Title 21 code amendment, subject to legal review. Note: Minor changes of a non-material may occur after legal review, which may include adding references to the final monumentation section in other areas of the code for clarity and uniformity.

ATTACHMENTS

Attachment A: Example Plats

Attachment B: Legal Blackline of Code

BACKGROUND

The current code has stringent requirements for plat submission requirements, specifically the requirements for flagging and primary monumentation. These requirements add significant costs to platting surveys, which can range from adding an additional \$1,500 to \$10,000 to the cost of the survey. Moreover, the existing monumentation requirements are overkill, and in practice these requirements have not been followed. State law does have requirements for monumentation and this proposed change mirrors and complies with those requirements.

On the other side, there are positives to having primary monuments in terms of the quality and potential durability of the monument – but even primary monuments can get destroyed. Placing and recording a primary monument requires more digging, more materials, referencing three bearing objects, et cetera, and is a burdensome task. On the other hand, down the line when replats or development occur, primary monuments are invaluable to reestablish property lines and less likely to be moved or lost. The proposal does incorporate some level of primary monumentation for certain plats. In essence, more complex plats require more primary monuments.

Final Plat Submission Requirements – What the Existing Sitka General Code States

Minor Subdivisions - Monumentation

- SGC Section 21.12.010 states under Basic Criteria, “Monuments exist sufficient to locate all proposed lots on the site,” and that means legal sufficiency.
- To be legally sufficient, SGC Section 21.12.030 Final Plat, subsection A, states that the Minor Subdivisions Final Plat “shall comply with **all** major subdivisions final plat submission requirements in Section 21.32.160. emphasis added).”
- SGC 21.32.160 Major Subdivision – Final Plat submission requirements states “The plat shall comply with the development and design standards contained in this title” This includes the design and monumentation standards set forth in Chapter 21.40, specifically SGC Section 21.40.160 - Required monumentation – Final Plat monuments.
- SGC Section 21.40.160 - Required monumentation – Final Plat monuments requires under subsection C, that ‘Every subdivision must have a minimum of two primary monuments set or recovered on the boundary of the subdivision. All angle points along the subdivision boundary should have a primary monument. Subsection D, establishes that secondary monuments, “shall be used for property line curvature control, at interior angle points, on interior lines ...”
- While it is staffs’ opinion and determination that this requires primary monuments, staff

also recognizes that primary monuments have rarely been required in practice and are not required to such an extent by the state. In addition, there are sections that support flexibility within Title 21 for submission requirements and waiver pursuant to 21.52.

Minor Subdivisions – Flagging

SGC Section 21.12.030, Final Plat, states “The perimeter of the subdivision shall be flagged with readily viewable marking at least ten days prior to the planning commission hearing.” Further, SGC Section 21.40.160 also references flagging in subsection A.2.

Major Subdivisions - Monumentation

- SGC 21.32.160 Major Subdivision – Final Plat submission requirements states “The plat shall comply with the development and design standards contained in this title” This includes the design and monumentation standards set forth in Chapter 21.40, specifically SGC Section 21.40.160 - Required monumentation – Final Plat monuments.
- SGC Section 21.40.160 - Required monumentation – Final Plat monuments requires under subsection C, that ‘Every subdivision must have a minimum of two primary monuments set or recovered on the boundary of the subdivision. All angle points along the subdivision boundary should have a primary monument. Subsection D, establishes that secondary monuments, “shall be used for property line curvature control, at interior angle points, on interior lines ...”
- While it is staffs’ opinion and determination that this requires primary monuments, staff also recognizes that primary monuments have rarely been required in practice and are not required to such an extent by the state. In addition, there are sections that support flexibility within Title 21 for submission requirements and waiver pursuant to 21.52.

Major Subdivisions – Flagging

SGC 21.32.050 Preliminary plat review and approval, states that “The exterior of the lots lines of the project shall be flagged tend days prior to the first planning commission hearing on the preliminary plat.” And interior flagging if required by municipality. SGC Section 21.32.170 states that the final plat shall be flagged in the same manner. Further, SGC Section 21.40.160 also references flagging in subsection A.2.

State Law Requirements

AS 29.40 vests in this home rule chartered municipality the platting authority subject to the following under subsection **100** regarding information required for a plat, to sum: 1) initial point of survey; 2) original or reestablished corner and their descriptions; 3) actual traverse with details; 4) other info as may be required by the municipality.

State Law Sets Forth Minimum of Secondary Monumentation

Further, **AS 40.15.320**, sets forth the minimum monumentation requirements for subdivisions and dedications for public records and recordings. To sum, it requires, what we would term secondary monuments at all exterior corners for subdivisions of five or less, and all at exterior and interior points for subdivisions for 6 or more.

“AS 40.15.320. Monuments.

(a) In a subdivision with five or fewer lots, the existence of at least a 5/8 inch by 24 inch rebar and cap monument at controlling exterior corners of the subdivision shall be established by the surveyor.

(b) In a subdivision of more than five lots, each interior corner shall be monumented with at least a 5/8 inch by 24 inch rebar and cap.

(c) If a monument of record does not lie on the parcel or tract boundary, the plat shall reflect a boundary survey and tie to a monument of record.”

State Land Survey Requirements (11 AAC 53.100-260)

Under these sections, it sets forth the minimum survey requirements for state land. Under subsection 190, state surveys require a minimum of four primary monuments. In addition, with some deviation, this appears to be the basis or a close approximation for the SGC section on monumentation. Moreover, if state land is in a municipality, the survey is subject to the stricter controls, if any, of the municipality, under subsection 100.

Platting Authority in Unorganized Boroughs (11 AAC 53.600-740.)

State regs set requirements in unorganized boroughs for subdivisions with 1) five or less lots, and 2) 6 and more lots. In both, these monuments are more similar to our code’s secondary monuments versus primary monuments.

Other Municipalities’ Requirements

Ketchikan Gateway Borough – Example of more lenient code

KGC section 17.10.090 requires the rough equivalent of secondary monuments for its subdivisions for all exterior corners of the subdivision and all lot corners.

City and Borough of Juneau – Example of similar for majors and example of more lenient for minor subdivision

CBJ Code Section 49.15.453 – Monumentation, requires primary monumentation, similar to SGC, for subdivisions of 6 or more lots; and secondary monumentation, similar to SGC, for 5 or fewer lots.

Anchorage Municipal Code

21.85.130 - Monuments.

Monuments and lot corner markers for determining the boundaries of subdivisions and lot corners shall be set in a professional manner. Survey monumentation shall conform to such additional standards as the director of public works may establish by regulation under [chapter 3.40](#).

And AMC section 21.08.030(K): *Monuments*. Monuments and lot corner markers for determining the boundaries of subdivisions and lot corners shall be set by a professional registered land surveyor licensed by the state of Alaska. Survey monumentation shall conform to such additional standards as the municipal surveyor may establish by regulation under AMC [Chapter 3.40](#).

RECOMMENDATION

Staff recommend that flagging be changed to being required by the Planning Commission during review of the concept or preliminary plat only when circumstances such as topography, drainage, setbacks, disputed or uncertain property line, or other development criteria or issues arise that warrant such marking. This would be a departure from mandatory flagging.

Staff recommend that monumentation requirements should meet state minimums for secondary monumentation and detail when primary monumentation should be required. Overall, the proposed language would be a moderate approach.

Summary of Proposed Changes and Areas Not Changed That Could Be

The following code sections were reviewed: The sections underlined have had changes, the sections bulleted, have not been changed, but could be, subject to legal review (such change may be a reference to 21.40.160 versus to existing reference)

Support from SGC Code: Under SGC 21.04.020 (J) "To provide for the accurate surveying of land"

21.12.010.B.2. (Minor Sub Code) references monuments sufficient and changed to reference 21.40.160.

21.12.030.A. references **flagging** and changed to reference 21.40.160 (and may be required)

- 21.16.010.B. (BLA) references in accord with 21.32.160
- 21.20.030.A (Replats) references 21.32.160
- 21.20.040.B. same as above,

- 21.24.010 (Zero LL) references 21.12
- 21.28.040 (B&C) (PUDs) references 21.32.040 (Major Sub Standards)

21.32.040.D (Major Sub) references flagging, changed to reference 21.40.160 and may be required

21.32.050 ref flagging, changed to reference 21.40.160 and may be required

- 21.32.160 reference devl standards in 21 and 22.
- 21.36.020.A. 5 lot hybrid references minor sub
- 21.36.020.B Combi hybrid references major sub.

21.40.160 Required Monumentation (A.B (flagging)-E)

Recommended Motion

I move to recommend approval of this Title 21 code amendment pertaining to monumentation and flagging requirements, subject to legal and administrative review. Note: Minor changes of a non-material may occur after legal review, which may include adding references to the final monumentation section in other areas of the code for clarity and uniformity.

CERTIFICATE OF OWNERSHIP AND DEDICATION

WE HEREBY CERTIFY THAT WE ARE THE OWNERS OF THE PROPERTY SHOWN AND DESCRIBED HEREON AND THAT WE HEREBY ADOPT THIS PLAN OF SUBDIVISION WITH OUR FREE CONSENT, AND DEDICATE ALL STREETS, ALLEYS, WALKS, PARKS AND OTHER OPEN SPACES TO PUBLIC OR PRIVATE USE AS NOTED.

DATE 7/13/2016 OWNER Karen J. Lucas
 DATE _____ OWNER _____

NOTARY'S ACKNOWLEDGEMENT
 STATE OF ALASKA
NOTARY PUBLIC
 Samantha Pleson
 U.S. OF AMERICA
 STATE OF ALASKA
 CITY & BOROUGH OF SITKA

THIS IS TO CERTIFY THAT ON THIS 11 DAY OF July, 2016 BEFORE ME, THE UNDERSIGNED, A NOTARY PUBLIC IN AND FOR THE STATE OF ALASKA, DULY COMMISSIONED AND SWORN, PERSONALLY APPEARED Karen J. Lucas TO ME KNOWN TO BE THE IDENTICAL INDIVIDUAL(S) MENTIONED AND WHO EXECUTED THE WITHIN PLAT AND SHE ACKNOWLEDGED TO ME THAT SHE SIGNED THE SAME FREELY AND VOLUNTARILY FOR THE USES AND PURPOSES THEREIN SPECIFIED.
 WITNESS MY HAND AND NOTARIAL SEAL THE DAY AND YEAR IN THIS CERTIFICATE FIRST HEREIN WRITTEN.
Samantha Pleson
 NOTARY PUBLIC IN AND FOR THE STATE OF ALASKA
 MY COMMISSION EXPIRES with office

CERTIFICATE STATE OF ALASKA (FIRST JUDICIAL DISTRICT)

I, THE UNDERSIGNED, BEING DULY APPOINTED AND QUALIFIED, AND ACTING ASSESSOR FOR THE CITY AND BOROUGH OF SITKA, DO HEREBY CERTIFY THAT, ACCORDING TO THE RECORDS OF THE CITY AND BOROUGH OF SITKA, THE FOLLOWING DESCRIBED PROPERTY IS CARRIED ON THE TAX RECORDS IN THE NAME OF Karen J. Lucas AND THAT, ACCORDING TO THE RECORDS IN MY POSSESSION, ALL TAXES ASSESSED AGAINST SAID LANDS AND IN FAVOR OF THE CITY AND BOROUGH OF SITKA ARE PAID IN FULL, THAT CURRENT TAXES FOR THE YEAR 2016 WILL BE DUE ON OR BEFORE August 31, DATED THIS 11th DAY OF July 2016 AT SITKA, ALASKA.
Wendy Lawrence
 ASSESSOR CITY AND BOROUGH OF SITKA

CERTIFICATE OF APPROVAL BY THE BOARD

I HEREBY CERTIFY THAT THE SUBDIVISION PLAT SHOWN HEREON HAS BEEN FOUND TO COMPLY WITH THE SUBDIVISION REGULATIONS OF THE CITY AND BOROUGH OF SITKA PLATTING BOARD, AND THAT SAID PLAT HAS BEEN APPROVED BY THE BOARD BY PLAT RESOLUTION No. PL-07 DATED June 21, 2016, AND THAT THE PLAT SHOWN HEREON HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE DISTRICT COURT, EX OFFICIO RECORDER, SITKA, ALASKA.
7-11-2016
Samantha Pleson
 CHAIRMAN, PLATTING BOARD
 SECRETARY

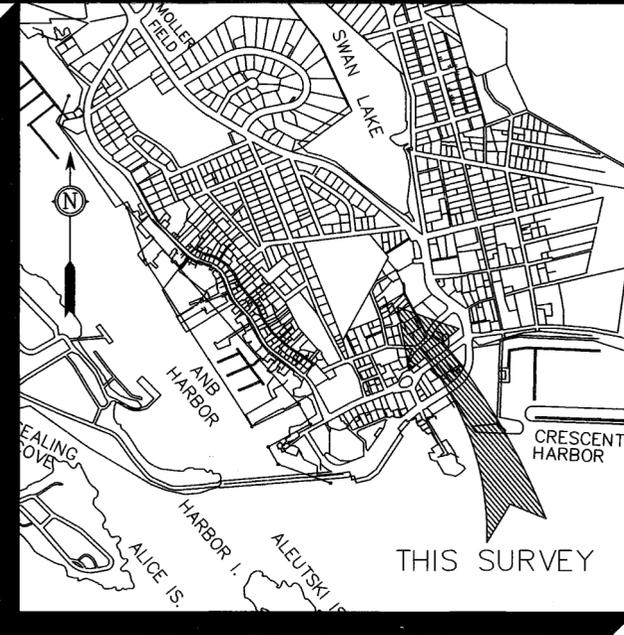
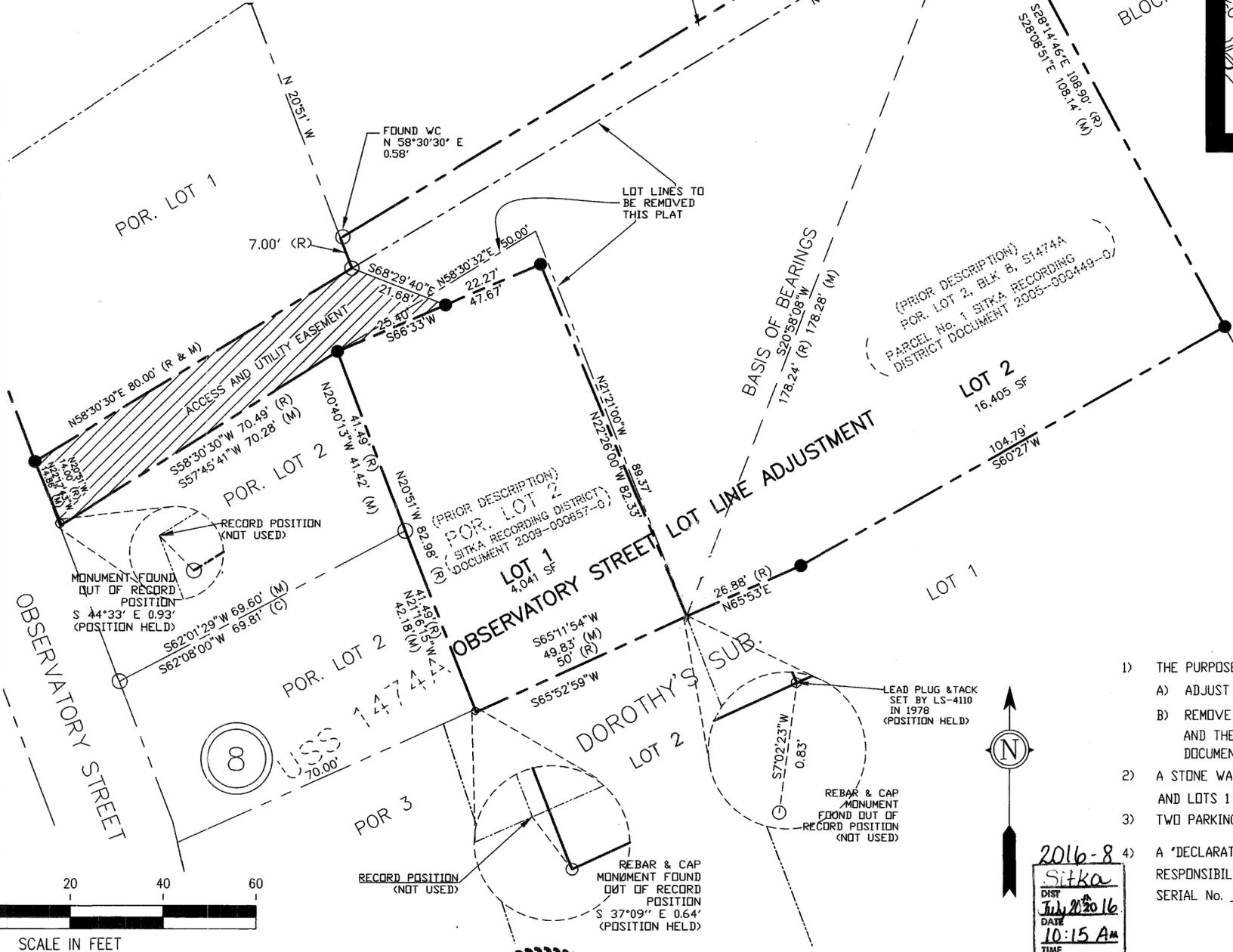
CERTIFICATE OF APPROVAL BY THE ASSEMBLY

I HEREBY CERTIFY THAT THE SUBDIVISION PLAT SHOWN HEREON HAS BEEN FOUND TO COMPLY WITH THE SUBDIVISION REGULATIONS OF THE CITY AND BOROUGH OF SITKA ASSEMBLY AS RECORDED IN MINUTE BOOK 13 PAGE 240 DATED June 21, 2016, AND THAT THE PLAT SHOWN HEREON HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE DISTRICT COURT, EX OFFICIO RECORDER, SITKA, ALASKA.
7/12/16
Sara Peterson
 MAYOR
 CITY AND BOROUGH CLERK

CERTIFICATE OF PAYMENT OF LOCAL IMPROVEMENT DISTRICT

I, THE UNDERSIGNED, BEING DULY APPOINTED AND QUALIFIED, AND ACTING FINANCE DIRECTOR FOR THE CITY AND BOROUGH OF SITKA, DO HEREBY CERTIFY THAT, ACCORDING TO RECORDS OF THE CITY AND BOROUGH OF SITKA, THE FOLLOWING DESCRIBED PROPERTY IS CARRIED ON THE RECORDS IN THE NAME OF: Karen J. Lucas (ALL OWNERS OF RECORD) AND THAT, ACCORDING TO THE RECORDS IN MY POSSESSION, ALL L.I.D.'S ASSESSED AGAINST SAID LANDS AND IN FAVOR OF THE CITY AND BOROUGH OF SITKA ARE PAID IN FULL.

DATED THIS 13 DAY OF July, 2016, AT SITKA, ALASKA.
Paul Sweeney III
 FINANCE DIRECTOR
 CITY AND BOROUGH OF SITKA

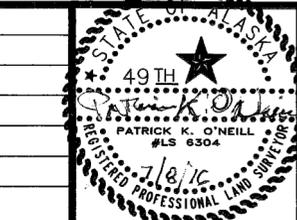


- NOTES**
- THE PURPOSE OF THIS PLAT IS AS FOLLOWS:
 A) ADJUST THE PROPERTY LINE BETWEEN NEW LOTS 1 AND 2 AS SHOWN.
 B) REMOVE THE PROPERTY LINE BETWEEN THE PORTION OF LOT 1, BLOCK 8, AND THE ADJACENT PORTION OF LOT 2, BLOCK 8, (AS MERGED PER DOCUMENT 2012-000748-0) CREATING NEW LOT 2 OF THIS SUBDIVISION.
 - A STONE WALL STRADDLES THE BOUNDARY LINE BETWEEN NEW LOTS 1 AND 2 AND LOTS 1 AND 2 OF DOROTHY'S SUBDIVISION.
 - TWO PARKING SPACES ARE TO BE PROVIDED ON NEW LOT 1.
 - A "DECLARATION OF EASEMENT AND ACCESS RIGHTS" INCLUDING MAINTENANCE RESPONSIBILITIES IS FILED IN THE SITKA RECORDING DISTRICT OFFICE, SERIAL No. 2016-000699-0

2016-8
 Sitka
 DIST
 July 20 2016
 DATE
 10:15 AM
 TIME

O'NEILL
 SURVEYING AND ENGINEERING
 BOX 1849 SITKA, ALASKA 99835
 PHONE: (907) 747-6700
 FAX: (907) 747-7590
 EMAIL: oneillengr@ak.net

| BY | DATE | REV. | DESCRIPTION OF CHANGE |
|---------------------|------|------|-----------------------|
| RECORD OF REVISIONS | | | |



DESIGNED: P. O'NEILL
 DRAWN: WAD/JCH/ACAD
 CHECKED: PKD
 DATE OF PLAT: JULY 2016
 SCALE: 1" = 20'
 DRAWING NAME: 30575C02
 PROJECT NO.: 30575-02

SURVEYOR'S CERTIFICATE
 I HEREBY CERTIFY THAT I AM A REGISTERED SURVEYOR, LICENSED IN THE STATE OF ALASKA, AND THAT IN MAY 2016 A SURVEY OF THE HEREIN DESCRIBED LANDS WAS CONDUCTED UNDER MY DIRECT SUPERVISION AND THAT THIS PLAT IS A TRUE AND ACCURATE REPRESENTATION OF THE FIELD NOTES OF SAID SURVEY, AND THAT ALL DIMENSIONS AND OTHER DETAILS ARE CORRECT ACCORDING TO SAID FIELD NOTES.
7/8/16
Patrick K. O'Neill
 DATE
 PATRICK K O'NEILL LS 6304

OBSERVATORY STREET LOT LINE ADJUSTMENT
 A PORTION OF LOT 1 (DEED) AND PORTIONS OF LOT 2 (DEEDS), BLOCK 8, US SURVEY 1474A
 CLIENT: KAREN LUCAS
 218 OBSERVATORY STREET
 SITKA, ALASKA 99835

CERTIFICATE OF OWNERSHIP AND DEDICATION

WE HEREBY CERTIFY THAT WE ARE THE OWNERS OF THE PROPERTY SHOWN AND DESCRIBED HEREIN AND THAT WE HEREBY ADOPT THIS PLAN OF SUBDIVISION WITH OUR FREE CONSENT AND DEDICATE ALL STREETS, ALLEYS, WALKS, PARKS AND OTHER OPEN SPACES TO PUBLIC OR PRIVATE USE AS NOTED.

DATE: 7/15/2014 OWNER: Jeremy Twaddle, Manager MOUNTAIN VIEW ESTATES, LLC.

NOTARY'S ACKNOWLEDGMENT

US OF AMERICA
STATE OF ALASKA
CITY & BOROUGH OF SITKA

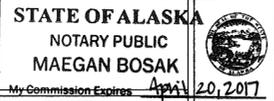
THIS IS TO CERTIFY THAT ON THIS 15 DAY OF July, 2014, BEFORE ME, THE UNDERSIGNED, A NOTARY PUBLIC IN AND FOR THE STATE OF ALASKA, DULY COMMISSIONED AND SWORN, PERSONALLY APPEARED Jeremy Twaddle, Manager of Mountain View Estates, LLC.

TO ME KNOWN TO BE THE IDENTICAL INDIVIDUAL(S) MENTIONED, AND WHO EXECUTED THE WITHIN PLAT AND He ACKNOWLEDGED TO ME THAT He SIGNED THE SAME FREELY AND VOLUNTARILY FOR THE USES AND PURPOSES THEREIN SPECIFIED.

WITNESS MY HAND AND NOTARY SEAL THE DAY AND YEAR IN THIS CERTIFICATE FIRST HEREIN WRITTEN.

MY COMMISSION EXPIRES April 20, 2017

Maegan Bosak
NOTARY PUBLIC IN AND FOR THE STATE OF ALASKA



CERTIFICATE OF PAYMENT OF TAXES (STATE OF ALASKA) (FIRST JUDICIAL DISTRICT)

I, THE UNDERSIGNED, BEING DULY APPOINTED AND QUALIFIED, AND ASSESSOR FOR THE CITY & BOROUGH OF SITKA, DO HEREBY CERTIFY THAT, ACCORDING TO THE RECORDS OF THE CITY AND BOROUGH OF SITKA, THE FOLLOWING DESCRIBED PROPERTY IS CARRIED ON THE TAX RECORDS IN THE NAME OF MOUNTAIN VIEW ESTATES, LLC

AND THAT, ACCORDING TO THE RECORDS IN MY POSSESSION, ALL TAXES ASSESSED AGAINST SAID LANDS AND IN FAVOR OF THE CITY & BOROUGH OF SITKA ARE PAID IN FULL; THAT CURRENT TAXES FOR THE YEAR 2014 WILL BE DUE ON OR BEFORE SEPT. 2, 2014.

DATED THIS 22nd DAY OF July 2014 AT SITKA, ALASKA.

Donald Hughes
ASSESSOR, CITY AND BOROUGH OF SITKA

CERTIFICATE OF APPROVAL BY THE BOARD

I HEREBY CERTIFY THAT THE SUBDIVISION PLAT SHOWN HEREON HAS BEEN FOUND TO COMPLY WITH THE SUBDIVISION REGULATIONS OF THE CITY & BOROUGH OF SITKA PLATTING BOARD, AND THAT SAID PLAT HAS BEEN APPROVED BY THE BOARD BY PLAT RESOLUTION NO. P13-04 DATED June 11 2013, AND THAT THE PLAT SHOWN HEREON HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE DISTRICT MAGISTRATE, EX-OFFICIO RECORDER, SITKA, ALASKA.

DATE: 7/15/14 D. Parmelee
CHAIRMAN, PLATTING BOARD

Maegan Bosak
SECRETARY

CERTIFICATE OF PAYMENT OF LOCAL IMPROVEMENT DISTRICT

I, THE UNDERSIGNED, BEING DULY APPOINTED AND QUALIFIED, AND FINANCE DIRECTOR FOR THE CITY & BOROUGH OF SITKA, DO HEREBY CERTIFY THAT, ACCORDING TO THE RECORDS OF THE CITY & BOROUGH OF SITKA, THE FOLLOWING DESCRIBED PROPERTY IS CARRIED IN THE RECORDS IN THE NAME OF: Mountain View Estates, LLC.

(CALL OWNERS OF RECORD), AND THAT, ACCORDING TO THE RECORDS IN MY POSSESSION, ALL L.I.D.'S ASSESSED AGAINST SAID LANDS AND IN FAVOR OF THE CITY & BOROUGH OF SITKA ARE PAID IN FULL.

DATED THIS 22nd DAY OF July 2014 AT SITKA, ALASKA.

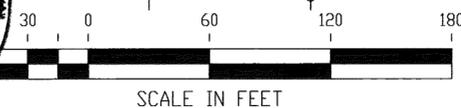
M. Middleton
FINANCE DIRECTOR, CITY & BOROUGH OF SITKA

CERTIFICATE OF APPROVAL BY THE ASSEMBLY

I HEREBY CERTIFY THAT THE SUBDIVISION PLAT SHOWN HEREON HAS BEEN FOUND TO COMPLY WITH THE SUBDIVISION REGULATIONS OF THE CITY & BOROUGH OF SITKA ASSEMBLY AS RECORDED IN MINUTE BOOK PAGE DATED 20 AND THAT THE PLAT SHOWN HEREON HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE DISTRICT COURT, EX OFFICIO RECORDER, SITKA, ALASKA.

DATE: 23 July 2014 Matthew Hunter
DEPUTY MAYOR

CITY AND BOROUGH CLERK



O'NEILL
SURVEYING AND ENGINEERING

BOX 1849 SITKA, ALASKA 99835
PHONE: (907) 747-6700
FAX: (907) 747-7590
EMAIL: onellengr@aol.net

| BY | DATE | REV. | DESCRIPTION OF CHANGE |
|----|------|------|-----------------------|
| | | | |
| | | | |
| | | | |



DESIGNED: P. O'NEILL
DRAWN: KOZACAD
CHECKED: PKD
DATE OF PLAT: JULY 7, 2014 * 08:31:48
SCALE: 1" = 60'
DRAWING NAME: 30530-16(MS)
PROJECT NO. 30530-16-00

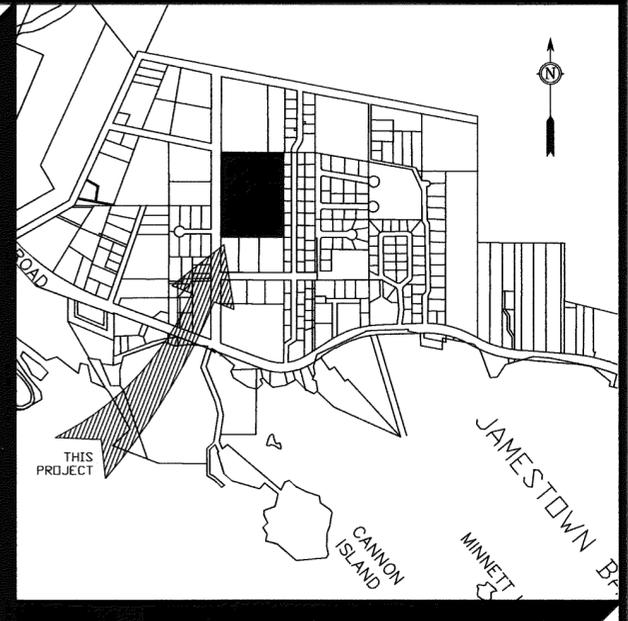
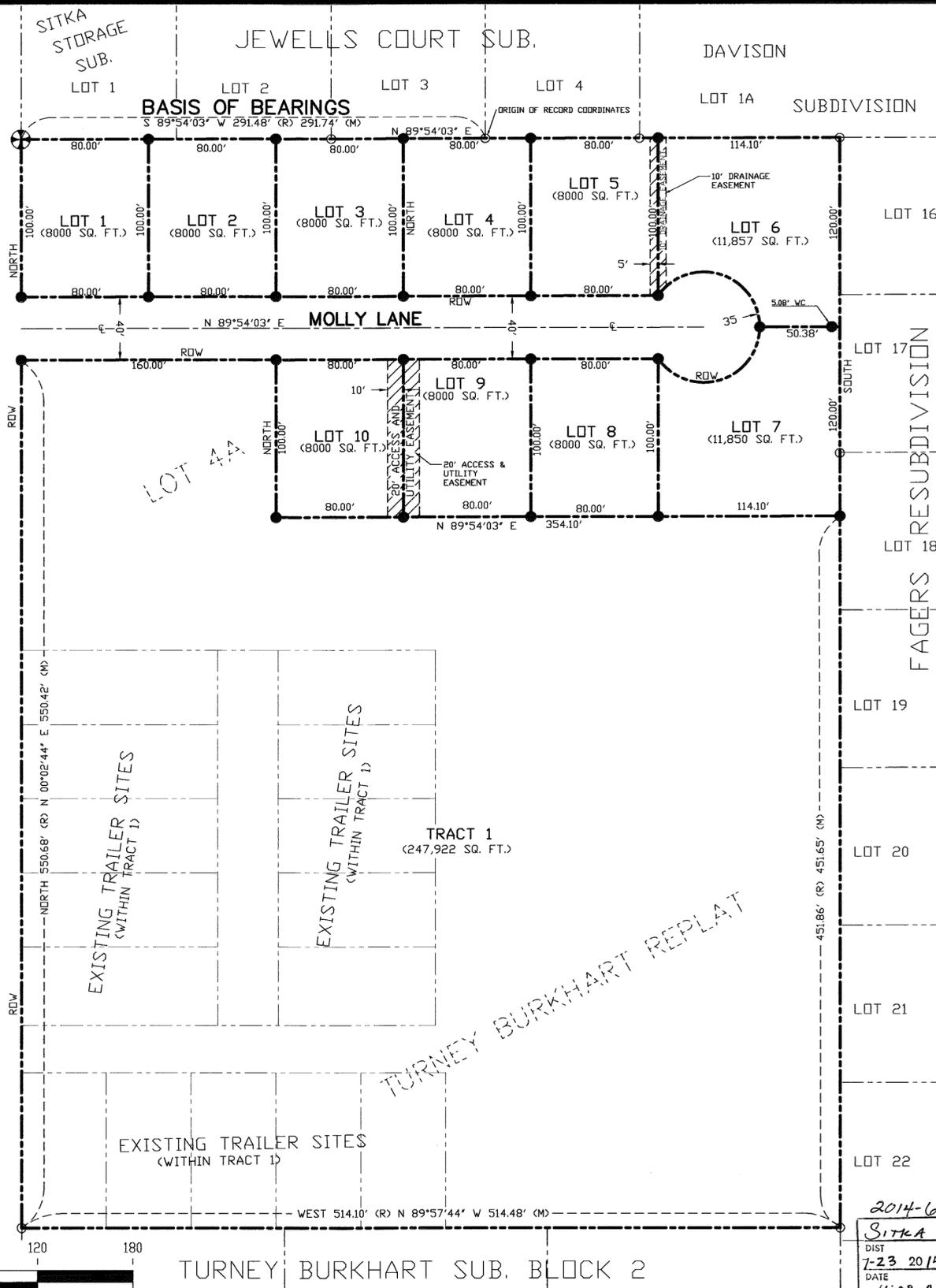
SURVEYOR'S CERTIFICATE
I HEREBY CERTIFY THAT I AM A REGISTERED SURVEYOR, LICENSED IN THE STATE OF ALASKA, AND THAT IN June, 2014 A SURVEY OF THE HEREIN DESCRIBED LANDS WAS CONDUCTED UNDER MY DIRECT SUPERVISION AND THAT THIS PLAT IS A TRUE AND ACCURATE REPRESENTATION OF THE FIELD NOTES OF SAID SURVEY, AND THAT ALL DIMENSIONS AND OTHER DETAILS ARE CORRECT ACCORDING TO SAID FIELD NOTES.

DATE: 7/9/14 Patrick K O'Neill
DATE:
PATRICK K O'NEILL, LS 6304

SITKA RECORDING DISTRICT

MOUNTAIN VIEW SUBDIVISION
LOT 4A,
TURNEY BURKHART REPLAT

CLIENT: ISLAND ENTERPRISES



VICINITY MAP
SCALE 1"=1,000'

LEGEND

- PRIMARY CONTROL MONUMENT RECOVERED (BRASS CAP)
- BLM/GLD PRIMARY BRASS CAP (RECOVERED)
- SECONDARY MONUMENT (SET)
- SECONDARY MONUMENT (RECOVERED)
- RECORDED DATA
- COMPUTED DATA
- MEASURED DATA

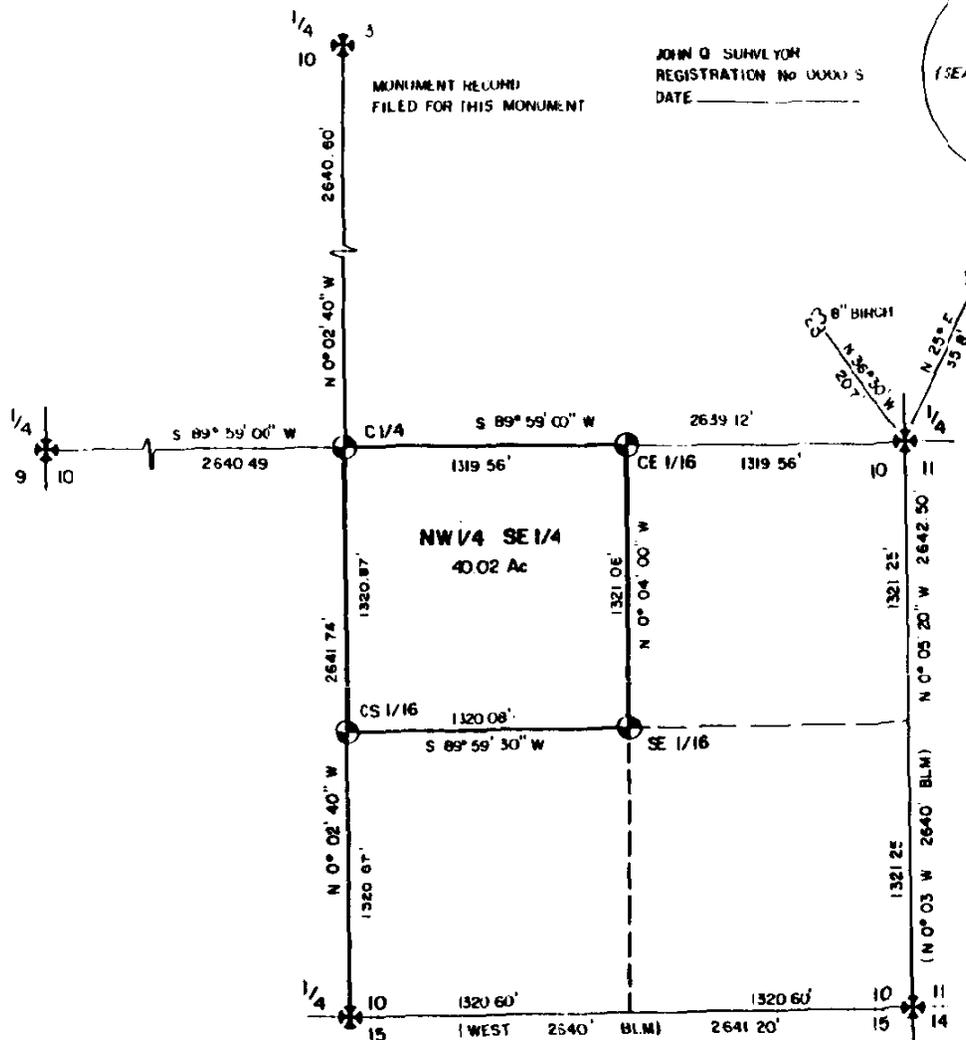
NOTES:

- 1) THE PURPOSE OF THIS PLAT IS TO SUBDIVIDE LOT 4A OF THE TURNEY BURKHART REPLAT INTO 11 NEW LOTS.
- 2) A MAINTENANCE AGREEMENT FOR THE ACCESS AND UTILITY EASEMENT IS FILED IN THE SITKA RECORDING OFFICE UNDER SERIAL NO. 2014-000838-0
- 3) THE MUNICIPALITY IS PARTY TO ALL EASEMENTS AND PLAT NOTES. THEY SHALL NOT BE MODIFIED WITHOUT APPROVAL OF THE PLATTING BOARD.
- 4) NO LOT, TRACT, OR PARCEL WITHIN THIS SUBDIVISION MAY BE CONVEYED BY ISLAND ENTERPRISES UNTIL SERVED BY ROAD, DRAINAGE, WATER, SEWER, AND ELECTRICITY SERVICE AND SAID IMPROVEMENTS HAVE BEEN INSPECTED, APPROVED, AND ACCEPTED FOR MAINTENANCE BY THE CITY AND BOROUGH OF SITKA, ALASKA OR A SUBDIVISION AGREEMENT BETWEEN THE CITY AND BOROUGH OF SITKA AND THE OWNERS OF THE PARCELS IN THE SUBDIVISION HAS BEEN EXECUTED. THE EXECUTED SUBDIVISION AGREEMENT SHALL SPECIFICALLY LIST THE LOTS THAT MAY BE SOLD PRIOR TO THE INSTALLATION AND ACCEPTANCE OF THE ROADS AND UTILITIES.

2014-6
SITKA
DIST
7-23 2014
DATE
11:02 AM
TIME

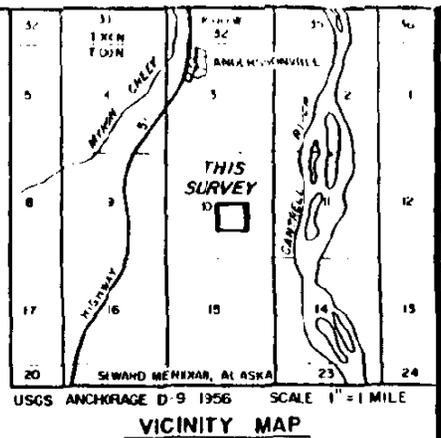
SHEET

SAMPLE RECORD



JOHN Q SURVEYOR
REGISTRATION No 0000 S
DATE _____

(SEAL & SIGNATURE)



NOTES

- 1 UNLESS OTHERWISE NOTED, ACCESSORIES FOR ALL BLM MONUMENTS ARE AS DESCRIBED IN THE ORIGINAL FIELD NOTE RECORDS
- 2 SURVEYED IN ACCORDANCE WITH THE BLM MANUAL OF SURVEY INSTRUCTIONS 1973 SECTIONS 3-85 THROUGH 3-89
- 3 THIS IS A SURVEY OF THE PROPERTY DESCRIBED IN UNITED STATES PATENT No. 1234567 RECORDED IN THE ANCHORAGE RECORDING DISTRICT IN BOOK 000 AT PAGE 500 ON JUNE 31, 1985 THIS DOES NOT CONSTITUTE A SUBDIVISION AS DEFINED BY A.S. 40.15.190(2).

LEGEND

- ⊗ BLM MONUMENT RECOVERED
- ⊕ 5/8" ALUMINUM CAP ON 2" x 30" ALUMINUM PIPE SET 2" ABOVE GROUND THIS SURVEY

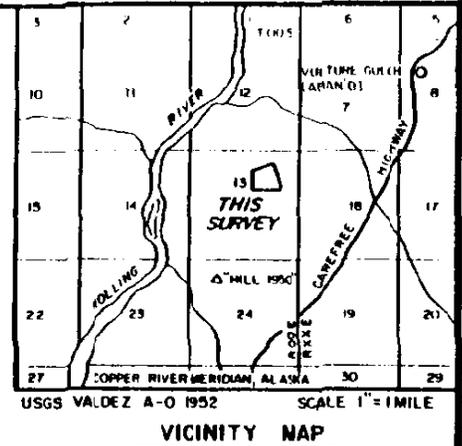
BASIS OF BEARING

| | | | |
|---|---|-------------------------|----------|
| DATE OF SURVEY Beginning _____ Ending _____ | NAME AND ADDRESS (OF SURVEYOR OR FIRM) | | |
| RECORD OF SURVEY | | | |
| OF NW 1/4 SE 1/4 SECTION 10 TOWNSHIP 00 NORTH, RANGE 00 WEST, SEWARD MERIDIAN, ALASKA ANCHORAGE RECORDING DISTRICT | | | |
| DRAWN BY (INITIAL & DATE) | SCALE 1" = 500' | CHECKED BY (INITIAL) | FILE NO. |

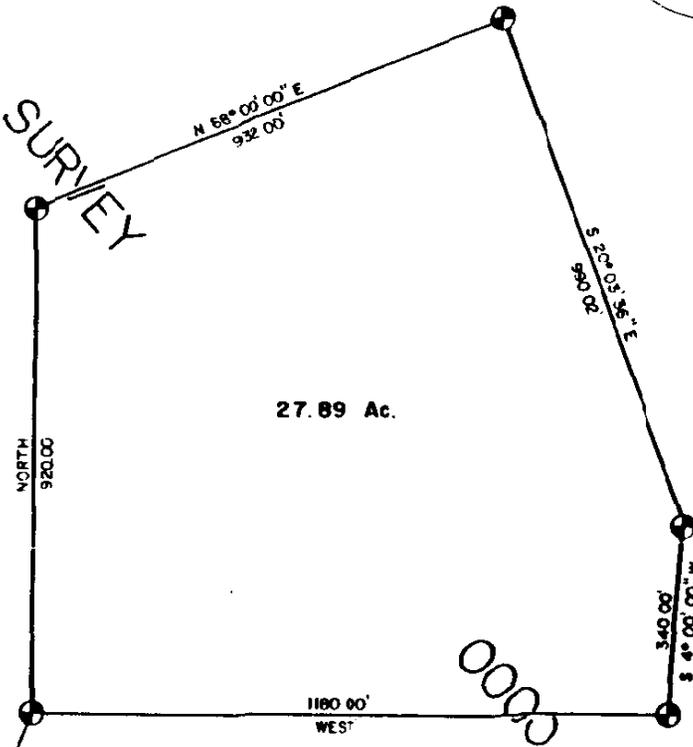
SAMPLE RECORD

JANE Q SURVEYOR
 REGISTRATION NO 0000-S
 DATE _____

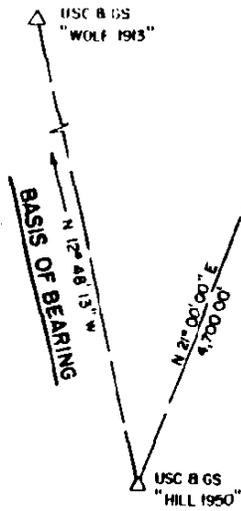
(SEAL & SIGNATURE)



U.S. SURVEY



27.89 Ac.



LEGEND

- \triangle USC & GS TRIANGULATION STATION RECOVERED
- \bullet 2 1/2" BRASS CAP ON 1" x 30" GALV IRON PIPE SET THIS SURVEY

NOTES

1. THIS IS A SURVEY OF PROPERTY AS DESCRIBED BY METES AND BOUNDS IN THE STATUTORY WARRANTY DEED RECORDED IN BOOK 00, AT PAGES 243 AND 244 ON JUNE 24, 1950 IN THE VALDEZ RECORDING DISTRICT

| | | | |
|---|---|-------------------------|---------|
| DATE OF SURVEY Beginning _____ Ending _____ | NAME AND ADDRESS (OF SURVEYOR OR FIRM) | | |
| RECORD OF SURVEY WITHIN NE 1/4 UNSURVEYED SECTION 13 TOWNSHIP 00 SOUTH, RANGE 00 EAST, COPPER RIVER MERIDIAN, ALASKA VALDEZ RECORDING DISTRICT | | | |
| DRAWN BY (INITIAL & DATE) | SCALE 1" = 200' | CHECKED BY (INITIAL) | FILE NO |

21.12.010 Application.

- A. The minor subdivision plat procedure shall apply to the following plats:
1. Plats that create no more than four additional tracts or lots;
 2. Plats that create parcels that will become integral parts of the adjoining lots or rights-of-way;
 3. A movement or creation of lot lines that does not result in an increase in the density or number of residential units within the area being subdivided or resubdivided;
 4. A subdivision involving the vacation of a street or alley;
 5. A subdivision created for a government agency acquisition of a street right-of-way.
- B. Basic Criteria. The following general conditions are necessary for approval of a minor subdivision:
1. No dedications are needed;
 2. Monuments exist sufficient to locate all proposed lots on the site, [as required by section 21.40.160](#);
 3. The plat includes all contiguous land under common ownership;
 4. Maintenance agreements as necessary.
- C. Preapplication. Participation in preapplication procedures as described in the major subdivision plat requirements (Section [21.32.020](#)) is advised to address any questions regarding the minor subdivision application.

21.12.030 Final plat.

A. A final plat shall be prepared by a registered land surveyor and submitted for planning commission review following the board review of the concept plat. The plat shall comply with all the major subdivision final plat submission requirements in Section [21.32.160](#). The easements and improvements shall comply with all the applicable standards in Chapter [21.40](#). It must be submitted at least thirteen days prior to the next planning commission meeting. ~~The perimeter of the subdivision shall be flagged with readily viewable marking at least ten days prior to the planning commission hearing. In addition, the planning office may require that interior subdivision lot corners shall be marked with two-inch square wooden hubs and flagging ten days prior to the planning commission hearing. Flagging may be required along the proposed plat's existing or proposed boundaries or features as required by the Platting Authority pursuant to section 21.40.160.~~ Notices and a public hearing shall be required and given as provided for Chapter [21.52](#).

21.32.040 Major subdivision—Preliminary plat submission requirements.

- A. In the event the owner or developer does not elect to go through the concept plat review process and submit a complete application at that time, an application for subdivision plat approval shall precede the submission of a preliminary plat. If a previous application does not incorporate any request for any necessary platting variances and vacations, those requests shall accompany the applications. Applications shall be in a form approved by the city.
- B. Preliminary plat applications shall be signed by all persons holding an interest in the property that is the subject of the application. If the applicant intends to develop the land covered by the preliminary plat in phases, the application for preliminary plat approval shall include a master phasing plan specifying the timing and sequence of development.
- C. The preliminary plat shall include all contiguous land under the applicant's ownership even if under separate legal description. If only a portion of the applicant's land is intended for development under the

proposed subdivision, the remaining portion shall be given a tract designation and shall be part of the preliminary and final plat.

D. The applicant shall submit the application for preliminary plat approval, including the following items, within the time required by the city in order for staff review before the regular meeting of the planning commission at which the plat is to be considered. The city shall determine the completeness of the application and notify the applicant if additional information is necessary. The perimeter of the subdivision shall ~~may~~ be flagged with readily viewable marking ~~at least ten days~~ prior to the planning commission hearing ~~when required pursuant to section 21.40.160~~. In addition, the planning office may require that interior subdivision lot corners shall be marked with two-inch square wooden hubs and flagging ten days prior to the planning commission hearing. The planning commission review and public hearing shall be scheduled for the earliest possible date depending upon the size and complexity of the proposal.

21.32.050 Preliminary plat review and approval.

The planning commission shall approve, deny, or approve with conditions the preliminary plat at a regularly scheduled meeting and the action shall be given within sixty days of the date of submission of a complete final plat. ~~The exterior of lot lines of the project shall be flagged ten days prior to the first planning commission hearing on the preliminary plat. Flagging of interior lot lines shall be installed at the same time if required by the municipality. Flagging may be required along the proposed plat's existing or proposed boundaries or features as required by the Platting Authority pursuant to section 21.40.160.~~ A delay in commission action may be requested in writing by the applicant, may result from the application being incomplete, or may result from evidence requiring further city consideration. If the plat approval is denied or the applicant is not satisfied with the conditions placed on the plat, the matter shall be reconsidered by the planning commission unless the applicant files an appeal directly to the assembly.

21.40.160 Monumentation and Flagging.

~~A. Generally.~~

~~1. Required All subdivisions, boundary line adjustments, replats, and any plat that requires approval to shall comply with the required monumentation—Final plat monuments—and flagging as detailed in monumentation and flagging appear in other sections of this code, however, this section shall control.~~

~~A. Generally.~~

~~2. Flagging requirements appear in the sections covering preliminary and final plat reviews in other chapters of the title. If considered appropriate to facilitate the review of the subdivision, temporary wooden hubs may be required to be installed by the municipality during the review process.~~

~~a. All secondary monuments shall be at least a 5/8 inch by 24 inch rebar and cap at all exterior and interior controlling corners, points, and angles. Monuments shall be capped and stamped with survey grade material and information. Where topography limits depth or type of monument, a reasonable survey grade monument of choice may be used if approved, and this includes setting monuments until reasonable refusal for depth.~~

~~b. Secondary monumentation shall be required at all exterior and interior angles, corners, points, and used where needed for curvature control for all subdivisions, replats, and/or reviews under this title.~~

~~i. Where there is an existing and sufficient monument that is accurate and durable, that monument may be used to fulfill this subsection.~~

~~ii. Primary monumentation may be required for certain plats. A primary monument will fulfill this subsection.~~

~~4. The following are the requirements for Primary Monumentation:~~

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- a. All major subdivisions, Planned Unit Developments, Cluster Subdivisions, small lot subdivisions of more than 6 lots, or any hybrid or combi subdivision of 6 lots or more shall provide at least two (2) recovered or new primary monuments along the boundary of the subdivision at points required by the Platting Authority or Planning Commission.
- b. All minor subdivisions, zero-lot lines, or hybrid or combi subdivision of 5 lots or less shall provide at least one (1) recovered or new primary monuments along the boundary of the subdivision at points required by the Platting Authority or Planning Commission.
- c. Primary monumentation for Boundary Line Adjustments, accretion plats, replats, vacation of easements or rights of ways, lot joiners, or lot splits may be required where existing primary monumentation is found insufficient by the Platting Authority or Planning Director.
- d. Existing primary monuments that are recovered, accurate, and durable may be used to fulfill this subsection.
- e. All primary monuments must be referenced to at least three bearing trees or objects. If bearing trees or objects are used, they must be located as nearly as possible at right angles and may not be farther than one hundred feet from the monument. A distance to trees or objects must be measured at waist height and in the case of trees measured to the center of the tree with distances reduced to horizontal equivalent. Bearing trees must be marked with a nonferrous metal tag of at least nine square inches in size which must be placed facing the monument. These tags must be clearly and permanently marked as to the corner nomenclature and distance.

~~(Ord. 03-1729 § 4 (part), 2003.)~~

- 6. Flagging requirements appear in other sections of this title, however, this section shall control. If considered appropriate to facilitate the review or consideration of a subdivision or other plat, flagging may be required to be installed by the municipality during the review process.



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 18-08 Version: 1 Name:
Type: Ordinance Status: AGENDA READY
File created: 3/20/2018 In control: City and Borough Assembly
On agenda: 3/27/2018 Final action:
Title: Adjusting the FY18 Budget (Thomsen Harbor Lift Station Rehabilitation Project)
Sponsors:
Indexes:
Code sections:
Attachments: [Motion and Memo Ord 2018-08.pdf](#)
[Ord 2018-08.pdf](#)

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
|------|------|-----------|--------|--------|

POSSIBLE MOTION

I MOVE TO approve Ordinance 2018-08 on
first reading.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Mayor Hunter and Assembly Members
Keith Brady, Municipal Administrator

From: Shilo Williams, Environmental Superintendent 
Michael Harmon, P.E., Public Works Director 

Cc: Melissa Haley, Controller

Date: March 21, 2018

Subject: Thomsen Harbor Pump Station Repairs Appropriation

Background

The Thomsen Harbor Pump Station was put into service in 1984. It operates 24 hours per day 7 days per week and pumps an average of 1 million gallons per day. The pump station receives wastewater from all homes and businesses on the Baranof Island side of Sitka. The sewage flows through a grinder and into a 25 foot deep wet well. The wastewater is then pumped into two force mains that run under the channel and over to the wastewater plant located on Japonski Island.

The pump station was designed with an underground drywell that houses all of the equipment that runs the station (pumps, motors, electrical equipment, valves, etc.).

See attached Non-Compliance Report dated February 9, 2018 for details on the February 2nd pump station failure.

Analysis

The cost of repairing the pump station exceeds existing appropriations. A capital appropriation of \$350,000 is needed to cover the costs, which includes all of the expenditures related to the repairs needed to get the lift station functioning and to ensure that it will continue to function until further rehabilitation will take place, likely in 2020. The full rehabilitation was originally anticipated in FY2022/FY2023. We anticipate that a minimum of an additional \$500,000 will be needed in FY2020 to complete the rehabilitation.

Fiscal Note

As the emergency repairs needed to get the Thomsen Harbor pump station functioning have significantly increased the anticipated cost of rehabilitating the pump station, there will be an increased burden on Wastewater Fund. However in analyzing the change, the

overall impact of this emergency repair is minimal and will not, in itself, result in additional user fee increases. However, while this failure was unexpected, it does demonstrate the financial risk we face when we opt to pushing back capital improvement projects. It is much more expensive to have infrastructure fail unexpectedly, than it is to proactively repair our infrastructure.

Recommendation

Approve Ordinance 2018-08 appropriating \$350,000 in capital expenditures from the undesignated working capital balance of the Wastewater Fund and authorize the expenditure of these funds.



City and Borough of Sitka

Public Works Department

Environmental

Division

100 Alice Loop • Sitka, Alaska
(907) 747-4060

February 9, 2018

Jeff KenKnight
Water and Wetlands Enforcement Unit
US EPA
1200 Sixth Avenue, Ste. 900
Seattle, WA 98101

RE: Sitka AK-0021474 5-Day Noncompliance Report-Catastrophic Pump Station Failure

Dear Mr. KenKnight:

This serves as the required 5-Day Noncompliance Report for the sewage discharge that occurred February 2-3, 2018.

At approximately 5:00 am on February 2, 2018 the on-call operator received a flood alarm at the Thomsen Harbor Pump Station. This pump station receives flows from all homes and businesses on Baranof Island. The wastewater is then pumped into force mains that run under the channel and over to the wastewater plant on Japonski Island.

The pump station has a drywell that is 25 feet underground. This drywell houses the three pumps and motors and all of the electrical equipment needed to run the station. The bottom of the volute (houses the impeller) on the operating pump gave way causing the dry well to rapidly fill with wastewater. This caused the pump station to go completely dead. A PSA was immediately posted requesting citizens to limit water usage in order to reduce flows.

The drywell was pumped out and our mechanic was able to climb down into the drywell and close a valve which stopped the drywell from flooding. A trailer mounted pump was used to pump the wastewater from the wet well into an adjacent storm drain which discharges into the harbor. This was our only option to avoid wastewater from backing up into homes, businesses and city streets. The lower water usage coupled with dry weather significantly reduced the incoming flows into the pump station.

Once the drywell was cleaned, the motors on two pumps were opened up and hot air was forced into the drywell. While the drywell was drying out, quick work was made gathering necessary equipment including items that were sent Gold Streak on Alaska Airlines.

We took advantage of the situation and moved the electrical equipment (panels, switches, VFD) aboveground.

By Saturday February 3, 2018 the motors had dried out nicely and work was able to continue to rewire everything in. The pump station was up and running by 5:00 pm on Saturday February 3, 2018.

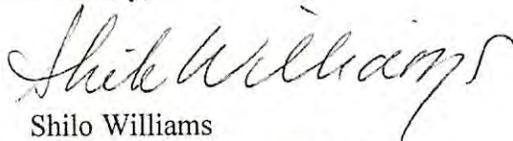
In the days leading up to the failure, we had been experiencing very low flows to the wastewater plant. Based on the low flows coupled with the community limiting their water usage I estimate approximately 800,000 gallons of sewage was discharged to the harbor. There were no solids or debris visible at the discharge point. Most of the solids accumulated in the wet well and the strainer on the pump was catching most wipes and such.

On Monday February 5, 2018 we were finally able to pull apart the motor and pump that had failed. It was then that we saw the bottom of the volute was completely worn away. The shaft and suction elbow were broken. It is my belief that rocks had gotten into the pump and as the impeller spun the rocks wore away the volute.

Like most of our wastewater infrastructure, this pump station was built in the early 80s. The wet well was not designed in a way that allows for cleaning and removal of accumulated debris and solids. Work is progressing on a plan to remedy this issue. A new pump and motor has been ordered to replace the failed pump and motor. We are working with vendors to find replacement pumps and motors for the other two that are currently in operation.

The City and Borough of Sitka realizes the severity of this issue and is not taking this matter lightly. Please contact me should you have questions regarding this matter.

Sincerely,

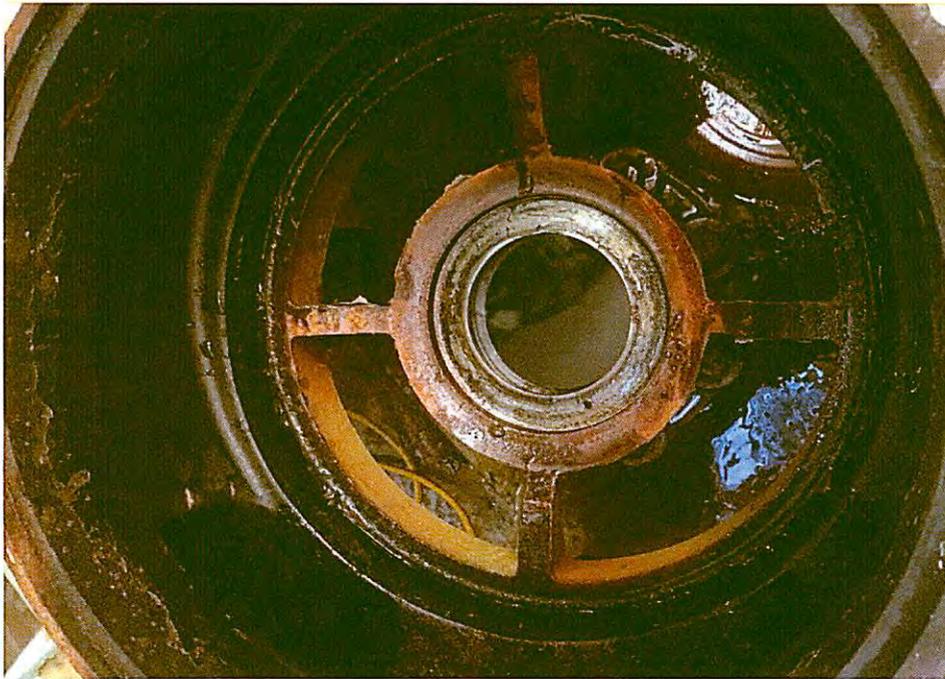


Shilo Williams
Environmental Superintendent
City and Borough of Sitka

Attachment: Photo log



Impeller and piece of volute



Volute- Bottom completely gone



This is the discharge into the harbor



Removing wipes and such that have accumulated on the strainer of the bypass pump

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2018-08
AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA
ADJUSTING THE FY18 BUDGET
(THOMSEN HARBOR LIFT STATION REHABILITATION PROJECT)

BE IT ENACTED by the Assembly of the City and Borough of Sitka, Alaska as follows:

1. CLASSIFICATION. This ordinance is not of a permanent nature and is not intended to be a part of the Sitka General Code of the City and Borough of Sitka, Alaska.

2. SEVERABILITY. If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and application thereof to any person and circumstances shall not be affected thereby.

3. PURPOSE. The purpose of this ordinance is to adjust the FY18 budgets for known changes.

4. ENACTMENT. The Assembly of the City and Borough of Sitka hereby adjusts the FY18 budget for known changes. In accordance with Section 11.10(a) of the Charter of the City and Borough of Sitka, Alaska, the budget for the fiscal period beginning July 1, 2017 and ending June 30, 2018 is hereby adjusted as follows:

Table with 1 column and 4 rows. Row 1: FISCAL YEAR 2018 EXPENDITURE BUDGETS. Row 2: CAPITAL PROJECTS. Row 3: Fund 730 - Thomsen Harbor Lift Station Rehabilitation Project: Increase appropriations in the amount of \$350,000 for the Thomsen Harbor Lift Station Rehabilitation Project. These funds will come from the Wastewater fund undesignated working capital. Row 4: (Empty)

EXPLANATION

Necessary revisions in the FY 2018 budget were identified. These changes involve the increase of expenditure accounts and causes decreased cash flows to the fund balance of various funds. A short explanation of each budget revision is included.

5. EFFECTIVE DATE. This ordinance shall become effective on the day after the date of its passage.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 10th Day of April, 2018.

ATTEST:

Matthew Hunter, Mayor

Sara Peterson, MMC
Municipal Clerk

1st reading 3/27/18

2nd reading 4/10/18



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 18-056 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 3/20/2018 In control: City and Borough Assembly

On agenda: 3/27/2018 Final action:

Title: Approve the Sitka Public Library Code of Conduct policies and Multipurpose Room policies

Sponsors:

Indexes:

Code sections:

Attachments: [Motion and memo policies.pdf](#)
[Code of Conduct policies.pdf](#)
[Multipurpose Room policies.pdf](#)
[Draft minutes.pdf](#)

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
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POSSIBLE MOTION

I MOVE TO approve, as recommended by the Library Commission, the Sitka Public Library Code of Conduct policies and Multipurpose room policies.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Mayor Hunter and Assembly Members
Keith Brady, Municipal Administrator

From: Andrew Murphy, Library Director

Date: 03/16/18

Subject: Approval of Sitka Public Library Code of Conduct & Multipurpose Room policies

Background

The Code of Conduct policies have been identified in need of revision for over a year. The previous Library Director, Robb Farmer, worked with the Library Commission and staff to identify areas of the existing policies that needed revisions. The existing Code of Conduct policies, Robb Farmer's notes, feedback from staff and the Library Commission were used to revise the Code of Conduct policies being presented to the Assembly for approval. The City's Legal Department reviewed and approved the policies before they were presented to the Library Commission. The Library Commission voted unanimously in approval of the policies on 03/14/18.

The Multipurpose Room policies were identified as a need for two reasons:

1. To be consistent with policies for the Library's Meeting Room, Study Room & Teen Lab.
2. To place the responsibility of events being hosted at the Library by outside groups or individuals on the organizing parties to reduce the commitment of staff time and support to events not organized by Library staff.

The Library Commission voted unanimously in approval of the Multipurpose Room policies on 03/14/18.

Analysis

Section 2.16.080C of the Sitka General Code grants the Library Commission the authority to:

'Subject to the approval of the assembly, make rules and regulations for the

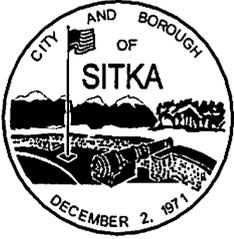
administration and control of the municipal library.'

Fiscal Note

N/A

Recommendation

Approve, as recommended by the Library Commission, the Code of Conduct policies and the Multipurpose Room policies for Sitka Public Library.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Sitka Public Library, Library Users Policy

Revisions to section 5.3, Entitlement

Revisions to section 5.8, Code of Conduct, Sections 5.8.1, 5.8.2

5.3 Entitlement

Sitka Public Library is a limited public forum open to everyone. While each person has the privilege to use the Library facilities, services and resources, everyone is expected to be courteous and not interfere with the ability of others to use and enjoy the Library. As a courtesy for the enjoyment of everybody in the Library, staff request firearms not be brought into the building.

5.8 Code of Conduct

5.8.1 Rules

To ensure the Library is a safe and welcoming space to everyone, the following rules of conduct have been established.

Everyone in the Library is expected to:

- Understand the Library is a community gathering space open to everyone
- Avoid behaviors that disrupt Library operations
- Act courteously to other patrons and Library staff
- Treat Library materials and equipment carefully, to preserve them for other patrons
- Be responsible for personal possessions
- Comply with all federal, state and municipal laws
- Parents or guardians are responsible for not leaving children 8 years of age or younger unattended.

The following categories are identified as unacceptable behaviors that disrupt Library operations:

Category 1. Immediate Eviction

No one shall:

- Possess or display a firearm in a manner inconsistent with state and federal laws
- *Use or be under the influence of intoxicating substances
- Steal Library property; make unauthorized use of Library equipment or materials
- Physically attack, threaten, verbally abuse or harass Library patrons or staff in any way, including sexual harassment, or attempt to engage anyone in unwanted discussion
- Smoke any substance from any medium, including electronic devices, inside the Library or on Library grounds

Category 2. Unacceptable Behavior

No one shall:

- Trespass into any unauthorized area including behind the circulation desk, all study and meeting rooms, any storage room
- *Remain in the Library after operating hours, unless attending a program.
- Consume any food in the building unless authorized by Library staff
- *Bring any beverage into the Media Room. All beverages in other areas of the Library must be properly contained as to not risk spills.
- Use a bicycle, skateboard, scooter, or skate in the Library or directly in front of the main entrance doors
- Emit any odor that is so distracting to others that it interferes with the patrons' use of Library resources or staff work including, but not limited to, bodily hygiene, perfumed fragrance, alcohol or smoking products
- * Use sinks in restrooms for any purpose other than washing hands and face.
- * Bring any animals into the Library with the exception of service animals, or animals as part of approved Library programs
- * Use personal devices to communicate with people not in the Library that creates a disturbance to other Library patrons
- * Walk on Library property without shoes or wear clothing that does not fully cover upper and lower torso.
- Sleep in the Library or camp on Library grounds.

5.8.2 Enforcement

Library staff is authorized and responsible for enforcing patron conduct in the Library. Category 1 offenses will result in immediate eviction for the day. Patrons violating Category 2 offenses will be informed of the policy and warned that continued violation of the policy may result in eviction for the day. Patrons may be evicted for the day if instructions from staff are disregarded. Failure to leave the Library after being asked to do so is considered trespassing and will result in police intervention. Category 1 violations or repeated evictions for Category 2 violations may result in suspension of Library privileges or permanent exclusion from the premises.



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Sitka Public Library's Multipurpose Room Policies

Purpose

Sitka Public Library's Multipurpose Room (MPR) was designed primarily as a space to accommodate the Library's programs for the public. These programs include a wide range of public events and activities, from film screenings and lectures to author events, children's Storytimes, public meetings, and various other events and programs either sponsored by the Library or initiated by the public for cultural, educational, informational, recreational, or civic purposes.

Scheduling of Outside Events/Programs

All requests to hold events or programs in the MPR must be approved by the Library Director. Youth-related events must be approved by the Youth Librarian.

All events in the MPR must be held during the Library's normal hours of operation, and must end no later than 30 minutes before the library closes, so that library staff have time to clean up and reset furniture and the room to its regular setup. Any deviation from this schedule must be approved by the Library Director. The Library's normal hours of operation are 10 a.m. to 8 p.m. Monday-Friday, and 10 a.m. to 6 p.m. on Saturday. The Library is closed on Sunday.

All events that take place in the MPR must be open to the general public. The Library's MPR is NOT available for weddings, receptions, or other private parties or events.

Outside presenters and groups wishing to schedule an event in the MPR should contact the Library at least one month prior to the event, if possible.

Library programs take precedence over all other requests for use of the MPR. Events scheduled may be pre-empted by the Library Director for Library priority.

Use of A/V Equipment

Presenters and groups wishing to use the library's A/V equipment for an event are responsible for operation of the equipment during the event, and should set up a time well in advance of the event to learn how to operate the equipment.

Event Publicity

Outside presenters and groups who schedule an event in the MPR are responsible for the publicity for their events/programs. This includes creation of any flyers, PSAs, community calendar listings, etc. Sitka Public Library will list all public events on the Events Calendar and, as a courtesy, may post flyers to help publicize the event on social media.

General Rules Which Apply to All Use of the MPR

All Library policies apply to use of the MPR.

Groups and/or individuals who reserve the MPR shall be responsible for any damage that may occur during their event and shall either pay for the damage or repair it to the satisfaction of the Library Director. To avoid any damage or defacement all users must check with Library staff prior to affixing anything to the walls, floor, furniture, windows, or ceiling.

No food or beverages may be served in the MPR without prior permission from the Library Director. Sitka Public Library is a non-smoking building. Smoking is not allowed within 50 feet of the Library's doors or windows.

Sitka Public Library will not be responsible for any personal equipment being used or stored in the Library by any user.

Groups or individuals that organize an event in the MPR are expected to reorganize the room to the state in which it was found prior to the event and leave no mess or additional work for staff to restore the room.

March 14, 2018
Library Commission meeting minutes
Sitka Public Library
DRAFT

The City and Borough of Sitka Library Commission met on March 14, 2018 at 6:00p in the Gus Adams Room of the Sitka Public Library. The meeting was called to order at 6:03pm.

In attendance:

Commissioners: Josh Thomas(Chair), Barbara Bingham(Vice Chair), Nicole Filipek(Secretary), Alice Johnstone, Cindy Litman, Dan Gunn
Library Director Andrew Murphy
Library Staff Liaison Maite Lorente
Assembly Liaison (substitute) Dr. Richard Wein
Citizen Bill Foster

Absences: Commissioner Darryl Rehkopf (excused)

February 7, 2018 library commission meeting minutes draft brought forth for approval- approved unanimously.

Library Commission reports:

Library Liaison- Greg Mandel's last week of work with SPL. Staff is concerned about hiring replacements and getting subs to cover open hours. Staff is concerned (Greg's position) is being posted w/ additional tasks to support the Director and only a modest wage increase. Ms. Lorente is interested to hear from the Commission their view of her role and responsibility as Staff Liaison.

Library Director- Reminds the Commission not to engage in serial communication or discuss commission business over e-mail at the risk of violating open-meetings act. Abstention from voting is not permitted. Two full time vacancies have been posted internally (CBS) and will be opened to public application March 22. Director has recently returned from the Alaska Library Association Conference and offers to provide an update on request. A brief mention of SPL appears in the article "Islands with Archives" online in Atlas Obscura. Job posting for substitutes will be published in the Sitka Daily Sentinel.

Assembly Liaison- Assembly/City is currently engaging in budget deliberations.

Commissioners- Ms. Filipek express sentiment that Library Programming report has value for informing the Commission. Chair Thomas asks the Assembly Liaison and Library Director for clarification regarding Robert's rules concerning the role of the Chair in motions and voting. According to Dr. Wein, for groups of less than 12 members, the Chair has the option to make motions, and the obligation to vote on all motions.

Guest comment- none

Library Programming:

Greg Mandel hosted the final Film Noir screening March 3. This program will go on hiatus with his departure. The Island Institute Writers Read program, separate author events with Joseph C. Wilson and Nicole Stellan O'Donnell, and a storytelling event with Tuli.Aan to take place. The storytelling event may become a monthly recurrence and is directed at engaging youth in the art of storytelling, but is open to all. Usual recurring weekly and monthly storytimes, and Youth Advisory and Babies and Books board meetings. Maite Lorente informs the commission that she has begun planning for the summer reading program.

Old Business:

Library Policy Revision Update-

Chair takes a moment to review the course of discussion and events from the previous meeting, during which time a vote was attempted but not allowed to stand in the record due to procedural irregularities. Discussion of the firearm policy. Current policy under section 5.8.1 Rules states- No one shall: possess or display weapons, including concealed handguns. Policy revision after consultation with City Attorney states- No one shall: possess or display a firearm in a manner inconsistent with state and federal laws. Though City Attorney was consulted regarding legalities (current policy is out of line with state open and closed carry law), he did not direct any change in policy. There is a majority sentiment that firearms do not belong in the library. Due to state law, current policy is unenforceable and excludes patrons carrying tools/weapons for vocational and recreational purposes. A consensus is reached that a statement of preference included in the Entitlements section of the policy will serve the interests of the commission, while providing a common sense means of protecting the interests of all patrons.

- Cindy Litman moves to incorporate the following statement (or a similar statement) to the Entitlements section of the Library Policy revision: "As a courtesy, for the enjoyment of everyone in the library, request firearms not be brought into the building". Alice Johnstone seconds the motion. The motion is passed unanimously.

Discussion of rationale and enforceability of clothing and footwear policy. The policy is drafted to ensure the health and safety of all patrons.

- Nicole Filipek moves to approve the Library Policy revision including the newly incorporated preference statement on firearms. Alice Johnstone seconds the motion. The motion is passed unanimously

Accessibility issues in the bathrooms-

Discussion regarding inaccessibility of the wash stations for youth and possible solutions. The discussion included consideration of other accessibility issues. The Director will research possibility of fold out/down step stools.

Building Update-

Public Works has been notified of a three foot long crack in the men's room wall. Currently monitoring for expansion of the crack. A short term solution will be to add caulking to the crack to avoid and safety issues.

Children's Room lighting was rewired. The lights were on a motion sensor, so there were issues of safety to patrons in the children's room and also causing the library to appear closed during operating hours. DVD shelving replacements are on order. Automatic door opener arm broke and was replaced. Lighting issues in the Gus Adams meeting room were addressed to the Director. Issues are similar to the Children's room and involve the motion/lighting sensor.

Computer IT issues-

Most issues have become less problematic over the course of the current Director's tenure, as confirmed by staff liaison. Print management software that was selected by external agents will not work as intended and will be discontinued. A new print management software has been identified that is widely used by other libraries in the state, will be compatible and is affordable. It will take a considerable amount of time to bring the new software online.

Multipurpose Room Guidelines-

This item is carried over from last month for approval. Mr. Gunn requests brief background.

- Nicole Filipek moves to approve the multipurpose room guidelines as drafted. Alice Johnstones seconds the motion. The motion is passed unanimously

Staffing Needs:

The proposal put forth last month for converting a full-time employee position to an exempt librarian position was dropped from the budget. Instead, the Director requests to fill an existing part-time position vacancy.

New Business:

SPL Social Media Campaign-

"Love your Library" has attracted 33 participants since rollout on February 14. Every Monday a new interview is posted to the FB page.

Library Commission meeting schedule-

After discussion

- Nicole Filipek moves to permanently change the meeting time to 6:00pm every 1st Wednesday of the month. Barbara Bingham seconds the motion. The motion is passed unanimously.

Commission Retreat-

Commission discusses intention to hold a special meeting or event to explore the purpose and responsibilities of the library commission per ordinance and otherwise, duties of the commissioners and a review of Robert's rules.

Library Intellectual Freedom-

Cindy Litman asks the commission to consider incorporating a broader statement to the policies to include not only the collections but programming, events and activities as well. Item to be included in the next agenda.

Agenda Additions-

Library Tours for the public

The meeting is adjourned at 7:57pm

Recorded, drafted and submitted by Nicole Filipek



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 18-057 Version: 1 Name:
Type: Item Status: AGENDA READY
File created: 3/20/2018 In control: City and Borough Assembly
On agenda: 3/27/2018 Final action:
Title: legal matters affecting bulk water sales
Sponsors:
Indexes:
Code sections:
Attachments: [Executive session.pdf](#)

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
|------|------|-----------|--------|--------|

POSSIBLE MOTIONS

EXECUTIVE SESSION

I MOVE to go into executive session to discuss with the Municipal Attorney legal matters affecting the municipality regarding bulk water sales and invite in if desired, and when ready, Utility Director Bryan Bertacchi, Public Works Director Michael Harmon and Director of the Gary Paxton Industrial Park Garry White.

I MOVE to reconvene as the Assembly in regular session.